

FILE 61

dup.

CITY OF CHICAGO

O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT

Airport Use Agreement

Lease of Terminal Facilities
(Including Exhibit 6, Hangar Site Lease)

Lease of Temporary Maintenance Area

Air Cargo Building Site Lease

Tank Farm Lease

October 28, 1955



AIRPORT USE AGREEMENT

THIS AGREEMENT made and entered into this 28th day of October A. D. 1955, by and between the City of Chicago, a municipal corporation of the State of Illinois (hereinafter referred to as "City"), and Northwest Airlines, Inc., a corporation organized and existing under and by virtue of the laws of the State of Minnesota (hereinafter referred to as "Airline"),

WITNESSETH:

WHEREAS, City owns and operates the airport known as "O'Hare Field, Chicago International Airport" (a plat of said airport being attached hereto marked Exhibit A and made a part hereof), situated in the County of Cook and the County of DuPage, State of Illinois (hereinafter, together with any additions thereto or enlargements thereof, referred to as the "Airport"), with the power to grant rights and privileges with respect thereto, as hereinafter provided; and

WHEREAS, Airline is engaged in the business of transporting persons, property, cargo and mail, or one or more thereof, by aircraft (hereinafter referred to as "air transportation") and desires to obtain certain rights and privileges with respect to the Airport, upon the terms and conditions hereinafter provided; and

WHEREAS, City is willing to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided; and

WHEREAS, contemporaneously with the execution hereof, City and Airline have entered into a Lease Agreement covering the use by Airline, including the use in common with others authorized so to use, of certain space and facilities in or adjoining the terminal building at the Airport;

Now, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, City does hereby grant unto Airline, and Airline does hereby hire and take from City, rights and privileges hereinafter described in connection with and upon the Airport.

ARTICLE I

PREMISES

Subject to the rights and interests of the United States of America by reservation contained in the quit-claim deed, dated March 21, 1946, from the United States of America, acting by and through War Assets Corporation, recorded March 22, 1946, in the Office of the Recorder of Deeds of Cook County, Illinois, in Book 40999, page 57, as Document No. 13747964, Airline shall have the right and privilege to operate at the Airport an air transportation system, which right and privilege shall, subject to rules and regulations promulgated by City in accordance with Article VIII hereof and to the payment of fees and charges hereinafter provided, include the use, in common with others authorized so to use, of the following areas and facilities now or hereafter provided at or adjacent to the Airport and available for common use:

(a) landing and take-off areas (including runways and landing strips) for aircraft;

(b) taxiway areas for aircraft;

(c) passenger and cargo ramp areas and facilities (including gates and available ground areas to permit the taxiing, servicing, loading and unloading of aircraft);

(d) aircraft parking areas and facilities;

(e) fuel storage areas and fueling facilities (including fuel tanks and the related receiving and underground and other distribution systems) provided by City, excepting any thereof which are not available for common use; and

(f) facilities for the purpose of controlling or assisting landings, take-offs and other movement of aircraft using the Airport, including, without limitation, control towers, floodlights, landing lights, beacons, signals, radio aids and all other conveniences and aids to operation, navigation or ground control of aircraft.

Such use by Airline includes the exercise of any or all the following rights:

(a) the right to land, take-off, fly and move aircraft operated by Airline;

(b) the right on the passenger and cargo ramp areas to load and unload persons, property, cargo and mail upon or from aircraft operated by it or by any other scheduled air transportation company, by such means as may be reasonably necessary or convenient; provided, however, that Airline may not load or unload exclusive freight or cargo flights on the passenger ramp areas adjacent to the passenger terminal building at the Airport, and City agrees that it will not permit any other aircraft operator to load or unload exclusive cargo or freight flights on such passenger ramp areas;

(c) the right on the passenger and cargo ramp areas to service aircraft and other equipment operated by Airline or by any other scheduled air transportation company, with gasoline, oil, greases, lubricants and any other fuel or propellant, and with foods and beverages and other supplies and materials, by such means as may be reasonably necessary or proper;

(d) the right on the passenger and cargo ramp areas to repair, condition, maintain, test and park aircraft and other equipment operated by Airline or by any other scheduled air transportation company; provided, however, such repair, conditioning, maintenance and testing shall be limited to those activities at the time commonly considered routine ramp servicing (which term shall include the activities referred to in subparagraph (c) above); and further provided, parking of aircraft may be limited as provided in Article III hereof;

(e) the right to park aircraft on aircraft parking areas designated from time to time by City; provided, however, parking of aircraft may be limited as provided in Article III hereof;

(f) the right to train personnel in its employ or under its direction, provided, however, that all flight training shall be subject to such limitations as the Commissioner of Public Works may from time to time reasonably prescribe;

(g) the right to sell, dispose of or exchange its aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, other equipment or supplies, and any articles or goods used by or acquired for use by Airline in connection with its conduct of air transportation; provided, however, that Airline shall not sell any such items to others than its employees or scheduled air transportation operators, unless such items represent surplus items at the time no longer reasonably necessary in connection with the conduct by Airline of its air transportation business; and provided further, that Airline shall not sell gasoline, oil, greases, lubricants, fuel or propellants, except to a subsidiary or affiliated company or except when the same are of a particular grade desired by other scheduled air transportation companies and not otherwise available (except from other scheduled air transportation companies) at the Airport;

(h) the right to operate and maintain such mobile communications equipment as may be reasonably necessary or convenient for its operations;

(i) the right to purchase or otherwise obtain personal property of any nature (including aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, food, beverages, other equipment and supplies, and any articles or goods) reasonably necessary or convenient for its operations, from any supplier of its choice; and

(j) the right to conduct operations or activities other than those enumerated in subparagraphs (a) to (i), inclusive, of this paragraph, reasonably related to the landing, take-off, flying, movement, loading, unloading, or ramp servicing of aircraft which are reasonably necessary or convenient to the conduct by it of air transportation; provided, however, that all such other operations and activities shall be subject to the approval of the Commissioner of Public Works;

provided, however, that the rights conferred under this Article I shall not be construed to authorize the conduct by Airline of any business separate from its operation of an air transportation system; and further provided, that the rights conferred under this Article I may be exercised by Airline alone or in conjunction with other Airline Parties, directly or through another designated by it or them, excepting that the rights conferred by subparagraph (c) above to service aircraft and other equipment with gasoline, oil, greases, lubricants and other fuel or propellant may be exercised by Airline in conjunction with other Airline Parties, either directly or through another designated by them, only with respect to aircraft and other equipment operated by Airline Parties.

Subject to the rights and interests of the United States of America by reservation contained in the quitclaim deed hereinabove referred to, and to rules and regulations promulgated by City in accordance with Article VIII hereof and to the payment of fees and charges hereinafter provided, Airline shall have the right and privilege to install, maintain and operate at such locations on the Airport as may be approved by the Commissioner of Public Works, radio communication, meteorological and aerial navigation equipment and facilities as may be reasonably necessary or convenient to the conduct by it of air transportation.

Subject to the foregoing and to rules and regulations promulgated by City in accordance with Article VIII hereof, Airline shall have the right and privilege over the Airport of ingress to and egress from (but not the other use of, except as otherwise authorized in this Agreement or in any other agreement between City and Airline) the areas and facilities described in this Article I for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, its or their equipment, vehicles, machinery and other property, and except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, for such right of ingress and egress, or for the privilege of purchasing, selling or using any materials or services purchased or otherwise obtained by Airline, or transporting, loading, unloading or handling persons, property, cargo or mail in connection with Airline's business or exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of automobile parking areas, sightseeing facilities or ground transportation to or from the Airport, or preclude City from imposing any tax or permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder.

This grant is not to be construed as a lease of any space in the passenger terminal building or other buildings constructed or to be constructed by City at the Airport.

ARTICLE II

FLIGHT FEES FOR LANDING OF AIRCRAFT

Section 2.01. Flight Fees for landing of aircraft. In connection with each fee landing at the Airport of each aircraft operated by it, Airline shall pay to City a fee (hereinafter called a "Flight Fee") determined as hereinafter provided.

Each separate landing at the Airport of an aircraft (whether in connection with a revenue or a non-revenue flight) operated by Airline or others, shall be a "fee landing," except that a "fee landing" shall not include the following:

(a) any landing at the Airport of an aircraft which shall have taken-off from the Airport and, without making a stop at any other airport, returns to and lands at the Airport because of meteorological conditions, mechanical or operating causes, or any similar emergency or precautionary reason,

(b) any landing at the Airport of an aircraft returning to the Airport on a non-revenue flight from the Chicago Municipal Airport, known as Midway Airport, if such aircraft shall have taken off from the Airport on a non-revenue flight to Midway Airport, without in either case making a stop at any other airport,

(c) any touch-and-go and similar operation in which an aircraft comes in contact with a runway at the Airport and without coming to a stop thereafter resumes flight by leaving the ground from the same runway and in the same direction, or

(d) any landing at the Airport of helicopter aircraft operated in local service between the Airport and any point within a radius of fifty miles from the Airport.

For the period from the date of this Agreement to and including June 30, 1957, the Flight Fee payable in connection with each fee landing at the Airport of an aircraft operated by Airline shall be twenty cents (20¢) per each 1,000 pounds of the approved maximum landing weight of such aircraft.

For the twelve month period commencing July 1, 1957 and for each twelve month period commencing on each July 1 thereafter (each such twelve month period being herein called a "fee period"), the Flight Fee payable in connection with each fee landing at the Airport of an aircraft operated by Airline shall be such amount (computed to the nearest one-tenth of a cent) per each 1,000 pounds of the approved maximum landing weight of such aircraft, as equals the quotient obtained by dividing

(a) the Adjusted Net Airport Expense for the calendar year next preceding the commencement of such fee period by

(b) the number of thousands of pounds of the aggregate approved maximum landing weight of all aircraft operated by all Airline Parties and landed in fee landings at the Airport during such calendar year.

Article XV hereof defines various terms used in this Section 2.01.

Section 2.02. Minimum aggregate fees during period ending June 30, 1957. In the event Flight Fees required to be paid by the Airline Parties in connection with fee landings at the Airport up to and including June 30, 1957 of aircraft operated by them, plus revenues received by City for the landing or taking off at or from the Airport, during the period commencing January 1, 1956 and ending June 30, 1957, of aircraft operated by others, shall aggregate less than Four Hundred Eighty Thousand Dollars (\$480,000), then Airline agrees to pay to City the pro rata share of Airline of such deficiency. Revenues received by City for the landing or taking off at or from the Airport of aircraft operated by others shall include that portion of the revenues received by City from fixed base operators which is properly attributable to the landing and taking off of aircraft. Airline warrants to City that it and the other Airline Parties who contemporaneously are executing agreements similar to this Agreement, have entered into an agreement between themselves whereunder a formula has been prescribed for the determination of Airline's pro rata share of any such deficiency and that under such formula Airline's pro rata share, together with the pro rata shares of such other Airline Parties, aggregate one hundred per cent (100%) of any such deficiency.

ARTICLE III

AIRCRAFT PARKING FEES

In the event Airline shall park its passenger aircraft in any public passenger ramp area at the Airport for a period of more than forty-five minutes, then at the discretion of City, removal of such aircraft may be directed

by it and if upon the lapse of a fifteen minute period after such direction Airline shall fail to so remove its aircraft, it shall pay to City a fee of \$5.00 for each thirty minutes or fraction thereof that such aircraft remains in such public passenger ramp area after such fifteen minute period. In the event Airline shall park its cargo aircraft in any public cargo ramp area for a period of one hundred twenty minutes, then at the discretion of City, removal of such aircraft may be directed by it and if upon the lapse of a fifteen minute period after such direction Airline shall fail to so remove such aircraft, it shall pay City a fee of \$5.00 for each thirty minutes or fraction thereof that such aircraft remains in such public cargo ramp area after such fifteen minute period.

City may charge fees of not more than \$10.00 for each twenty-four hours or fraction thereof, in excess of a free period of twenty-four hours, for the parking of aircraft in public aircraft parking areas.

ARTICLE IV

PAYMENT OF FEES

Airline shall, within ten days following the end of each calendar month, transmit to City a report, certified by Airline, giving the data as to the aggregate approved maximum landing weight of all aircraft operated by Airline and landed in fee landings at the Airport during such month, together with such other data as may be required by City to determine the amount of any Flight Fees and Aircraft Parking Fees payable by Airline for such month. The Flight Fees and Aircraft Parking Fees payable by Airline for such month, shall be paid by it within fifteen days after receipt by it of a statement thereof from City, rendered by it following receipt of such report. Airline's pro rata share of any deficiency which is payable by it pursuant to Section 2.02 hereof shall be paid by it within fifteen days after receipt by it of a statement of such deficiency from City. The payment of the foregoing fees and amount shall be made at the office of the City Comptroller of City. The payment by Airline of any such fees or amount and the acceptance by City thereof, shall not preclude either Airline or City from questioning, within a period of one year from the date of such payment by Airline, the accuracy of any report or statement on the basis of which such payment was made or preclude City from making any claim against Airline for any additional amount payable by Airline or preclude Airline from making any claim against City for the return of any excess amount paid by Airline.

ARTICLE V

TERM

The term of this Agreement shall be for a period commencing on the date hereof and ending on October 31, 1970.

ARTICLE VI

CONSTRUCTION, MAINTENANCE AND REPAIR BY AIRLINE

Section 6.01. Construction, maintenance and repair by Airline. Airline may either alone, or jointly with any one or more other Airline Parties, construct or install such radio, communication, meteorological and aerial navigation equipment as may be reasonably necessary or convenient to the conduct by Airline of air transportation, and such conduits, pits, covered trenches, ducts and other facilities, as may be reasonably necessary or convenient for power, light and communication purposes or for use in connection with the handling and servicing of aircraft, all as may be approved by the Commissioner of Public Works.

All such construction or installation by Airline shall be made in accordance with applicable laws and ordinances and after obtaining any requisite building or construction licenses or permits. Plans and specifications of any such proposed construction or installation (including any substantial alteration or addition thereto) shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement

of construction or installation. Any structures, facilities and additions so constructed or installed by Airline shall be kept and maintained by it in good condition and repair, reasonable wear and tear excepted. No restrictions, however, shall be placed upon Airline as to the architects, builders or contractors who may be employed by it in connection with any construction, installation, alteration, repair or maintenance of any such structures, facilities or additions.

Section 6.02. Performance by City upon failure of Airline to maintain. In the event Airline fails to perform for a period of thirty (30) days after notice from City so to do, any obligation required by this Article VI to be performed by Airline, City may do all things necessary to perform such obligation, charging the cost and expense thereof to Airline, and Airline agrees to pay City all such costs and expenses in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public or of employees of City, and City so states in its notice to Airline, City may perform such obligation of Airline at any time after the giving of such notice and charge to Airline, and Airline shall pay, as aforesaid the cost and expense of said performance.

ARTICLE VII

MAINTENANCE, OPERATION, ETC. BY CITY

Section 7.01. Performance under War Assets deed. Subject to availability of funds therefor, City shall endeavor to perform such activities under its control as are required of the City by that certain quitclaim deed referred to in Article I hereof.

Section 7.02. Maintenance and operation of Airport. City shall operate, maintain and keep in good repair the areas and facilities described in Article I hereof, excepting any structures or facilities constructed or installed by Airline pursuant to Article VI hereof. City shall keep the Airport free from obstruction, including the removal of snow, vegetation, stones and other foreign matter, as reasonably as may be done, from landing, take-off, ramp and parking areas. City shall provide and maintain passenger ramp areas, adjacent to proper entrances to the passenger terminal building, having paving, loading gates and lighting so as to permit the efficient taxiing, servicing and loading and unloading of aircraft operated by Airline.

City shall operate and maintain the Airport in all respects in a manner consistent with that of a reasonably prudent operator of an airport and in accordance with standards and ratings for airports of similar size and character issued by the Civil Aeronautics Administration and with the rules and regulations of the Civil Aeronautics Administration and any other governmental agency having jurisdiction thereof.

In the event any operator selected by City for the purpose of providing transportation service to and from the Airport of passengers and their baggage shall not furnish such transportation in a satisfactory and efficient manner, City shall, upon request of the Airlines Representative, use its best efforts to correct such situation, including, if required, the selection of another operator if City has authority to do so under the terms of the applicable concession agreement, to the end that such transportation service is performed in a satisfactory and efficient manner.

City shall supply adequate lighting for the Airport, including adequate boundary lights, landing lights, floodlights, beacons and other field lighting.

City shall maintain order at the Airport.

Section 7.03. Quiet enjoyment. City agrees that Airline, performing its obligations hereunder, shall be entitled to and shall have the quiet enjoyment of the rights and privileges granted to it hereunder, subject, however, to the provisions hereof and to the rights and interests of the United States of America by reservation contained in the quitclaim deed referred to in Article I hereof.

Section 7.04. Performance by Airline upon failure of City to maintain and operate. In the event City fails to perform, for a period of thirty (30) days after notice from Airline so to do, any obligation required by this Article VII to be performed by City, Airline may perform such obligation of City and deduct the cost to Airline of such performance from any amounts due hereunder or otherwise from Airline to City; provided, however, that if City's failure to perform any such obligation endangers the safety of Airline's operation at the Airport and Airline so states in its notice to City, Airline may perform such obligation of City at any time after the giving of such notice and deduct, as aforesaid, its cost of such performance. City, however, shall not be liable to Airline for any loss of revenues to Airline resulting from any of City's acts, omissions or neglect in the maintenance and operation by it of the Airport or any facilities now or hereafter connected therewith.

ARTICLE VIII

RULES AND REGULATIONS

Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by City, which are reasonably required for the prudent and efficient operation of the Airport and are not inconsistent with the reasonable exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the Civil Aeronautics Administration or any other governmental authority having jurisdiction over flight operations at the Airport.

City shall keep Airline supplied with five sets of City's current Airport rules and regulations applicable to Airline. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given fifteen days' notice of the adoption thereof.

City, however, shall have no control over the rates, fares or charges that Airline may prescribe in connection with its conduct of an air transportation business.

ARTICLE IX

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to Airline hereunder.

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to Airline to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport.

ARTICLE X

INDEMNITY AND INSURANCE

Airline agrees to indemnify and hold City harmless from and against all liabilities, judgments, costs, damages and expense which may accrue against, be charged to or recovered from City by reason or on account of damage to the property of City or the property of, injury to or death of any person, arising from Airline's use and occupancy of and operations at the Airport, including acts of its agents, contractors and

subcontractors, except when caused by City's sole negligence or by the joint negligence of City and any person other than Airline, its agents, contractors and subcontractors; provided that City shall give Airline prompt and timely notice of any claim made or suit instituted which, in any way, affects Airline or its insurer, and Airline or its insurer shall have the right to compromise and defend the same to the extent of their own interests. Any final judgment rendered against City for any cause for which Airline is liable hereunder shall be conclusive against Airline as to liability and amount.

Airline shall, at its own expense, keep in force insurance of the following types and in not less than the following amounts, issued by a company or companies of sound and adequate financial responsibility, insuring Airline and City against all liabilities for accidents arising out of or in connection with Airline's use and occupancy of and operations at the Airport, except when caused by City's negligence alone or jointly with any person other than Airline, its agents, contractors and subcontractors, and shall furnish to City certificates evidencing such insurance, naming City as an additional assured thereunder, subject to the limitations set forth above in respect of City's negligence, to-wit:

Aircraft Public Liability Insurance.....	\$ 100,000 per person \$1,000,000 per accident
Aircraft Property Damage Insurance.....	\$ 200,000 per accident
Comprehensive Public Liability Insurance.....	\$ 100,000 per person \$ 250,000 per accident
Comprehensive Property Damage Insurance.....	\$ 100,000 per accident

ARTICLE XI

BOOKS, RECORDS AND REPORTS

City shall follow such procedures and keep and maintain such books, records and accounts as may be necessary or appropriate, in accordance with generally accepted sound accounting practices and principles, for the purpose of determining all capital expenditures, expenses and revenues properly allocable to the Airport for each calendar year, commencing with the year 1956. All items affecting the computation of the Flight Fee payable by Airline for each fee period, including, without limitation, those affecting the computation of Airport Expense, Net Airport Expense and Adjusted Net Airport Expense and the aggregate approved maximum landing weight of all aircraft operated by all Airline Parties and landed in fee landings at the Airport, shall be recorded and reflected by City, in accordance with generally accepted sound accounting practices and principles, in such books, records and accounts.

City shall furnish to Airline, within four months after the close of each calendar year, beginning with the year 1956, a copy of an annual audit report, prepared in accordance with generally accepted sound accounting practices and principles and certified by a firm of independent certified public accountants of recognized standing, covering the operation by City of the Airport for such year. Such annual audit report shall, among other things, contain separate statements of Airport Expense, Net Airport Expense and Adjusted Net Airport Expense for such calendar year and the aggregate approved maximum landing weight of all aircraft operated by each Airline Party, shown separately by name, and by all Airline Parties in the aggregate, which were landed in fee landings at the Airport during such year.

Any such annual audit report shall be binding and conclusive upon City and Airline as to the matters covered thereby, except as to any items, either included in or omitted from such report, as to which, within four months after the receipt of such report by Airline, the Commissioner of Public Works may object by notice to the Airlines Representative, or such Representative may object by notice to the Commissioner of Public Works. An agreement between the Commissioner of Public Works and a then Majority in Interest of Airline Parties,

as to the proper treatment of any such item as to which the Commissioner of Public Works or the Airlines Representative shall have objected as aforesaid, shall be binding upon City and all Airline Parties.

City shall advise the Airlines Representative, as early as practicable, of any capital expenditures (other than those included in the development program at the Airport, described as Stage II and Stage III in the Burke Report, and other than expenditures for the maintenance of facilities existing at the time) proposed to be made by City at or adjacent to the Airport, which involve an estimated cost to City of more than \$50,000. City shall furnish to such Representative, and any persons designated by him, all relevant information concerning such proposed capital expenditures, and the Commissioner of Public Works shall give due consideration to any suggestions made by such Representative, or any persons designated by him, with respect to such proposed capital expenditures and the cost, character and desirability thereof.

Airline shall maintain at its office in Chicago, Illinois or at the Airport, books, records and accounts in connection with or having a bearing upon the determination of any Flight Fee payable by it, or if such books, records and accounts are not maintained at such office, it shall promptly furnish the Commissioner of Public Works with all information reasonably requested by him with respect to such books, records and accounts. The Commissioner of Public Works, and such persons as may be designated by him, shall have the right, at all reasonable times, to examine, make copies of, and take extracts from such books, records and accounts. The Airlines Representative, and such persons as may be designated by him, shall have the right, at all reasonable times, to examine, make copies of, and take extracts from, the books, records and accounts of City in connection with or having any bearing upon the determination of any Flight Fee payable by Airline Parties or any deficiency payable by any of them pursuant to Section 2.02 hereof.

ARTICLE XII

TERMINATION BY CITY

City may terminate this Agreement by giving Airline sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The filing by Airline of a voluntary petition in bankruptcy.
- (b) The institution of proceedings in bankruptcy against Airline and the final adjudication of Airline as a bankrupt pursuant to such proceedings.
- (c) The taking by a court of competent jurisdiction for a period of sixty (60) days of all or substantially all of Airline's assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- (d) The appointment of a receiver of all or substantially all of Airline's assets and Airline's failure to vacate such appointment within sixty (60) days thereafter.
- (e) The assignment by Airline of its assets for the benefit of its creditors.
- (f) The abandonment by Airline of its conduct of air transportation at the Airport.
- (g) The default by Airline in the performance of any covenant or agreement required to be performed by Airline herein or in any other agreement between City and Airline relating to the Airport or any part thereof, and the failure of Airline to remedy such default for a period of sixty (60) days after receipt from City of notice to remedy the same; provided, however, that no notice of termination shall be of any force or effect if Airline shall have remedied the default prior to receipt of City's notice of termination.

No waiver by City of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

The acceptance by City of any payment by Airline hereunder for or during any period or periods after a default of any of the terms, covenants and conditions contained herein, or in any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by Airline shall not be deemed a waiver of any right on the part of City to terminate this Agreement for failure of Airline to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XIII

TERMINATION BY AIRLINE

Airline may terminate this Agreement and any or all of its obligations hereunder at any time that Airline is not in default in the payment of any amount due from it to City hereunder by giving City sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

(a) The failure or refusal of the Civil Aeronautics Administration to approve all weather operations into and from the Airport of aircraft of any type using facilities similar to those at the Airport.

(b) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(c) The issuance of any order, rule or regulation or the taking of any action by the Civil Aeronautics Board or the Civil Aeronautics Administration or other competent governmental authority or the occurrence of any flood, fire, earthquake, other casualty, act of God or the public enemy, substantially affecting, for a period of at least sixty (60) days, Airline's use of the Airport in its conduct of an air transportation system; provided, however, that none of the foregoing is due to any fault of Airline.

(d) The default by City in the performance of any covenant or agreement required to be performed by City herein or in any other agreement between City and Airline relating to the Airport or any part thereof, and the failure of City to remedy such default for a period of sixty (60) days after receipt from Airline of notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if City shall have remedied the default prior to receipt of Airline's notice of termination.

(e) The substantial restriction of City's operation of the Airport by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I hereof, or otherwise, or by action of the State of Illinois, or any department or agency thereof, and continuance thereof for a period of not less than sixty (60) days.

No waiver by Airline of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Airline's performance of all or any part of this Agreement for or during any period or periods after default of any terms, covenants and conditions contained herein, or in any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall not be deemed a waiver of any right on the part of Airline to terminate this Agreement for failure of City to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XIV

RIGHT OF AIRLINE TO REMOVE PROPERTY

Airline shall be entitled during the term of this Agreement and for a reasonable time after its termination, to remove from the Airport, or any part thereof, all aircraft, trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it, subject, however, to any valid lien which City may have thereon for unpaid fees or other amounts, payable by Airline to City hereunder or under any other agreement between City and Airline relating to the Airport or any part thereof, and provided that Airline shall repair all damage resulting from such removal.

ARTICLE XV

DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings:

Section 15.01. Approved maximum landing weight. The "approved maximum landing weight" of any aircraft shall mean the maximum landing weight (computed to the nearest multiple of 1,000 pounds) approved by the Civil Aeronautics Administration for landing such aircraft at the Airport.

Section 15.02. Airport Expense. The "Airport Expense" for any calendar year shall mean all expenses incurred by City in the operation and maintenance of the Airport which are properly allocable to such year, all as determined in accordance with generally accepted sound accounting practices and principles, subject to the specific requirements hereinafter set forth.

Such expenses include, without limitation, expenses incurred by City for the following items in connection with the Airport and properly allocable as aforesaid:

(a) direct labor and salaries, including fringe benefits such as provisions for holiday and vacation pay, workmen's compensation, pension benefits, hospital insurance and such other benefits as are or may be included therein from time to time;

(b) services by contract;

(c) services of independent accountants, auditors, consultants and engineers;

(d) credit and casualty losses;

(e) security and fire protection at the Airport;

(f) materials, supplies and equipment expense;

(g) utilities;

(h) insurance;

(i) administrative expense of City directly related to and incurred for the maintenance, operation and management of the Airport;

(j) depreciation on depreciable assets acquired with funds of City (other than Government Grants in Aid), which depreciation shall be computed as follows:

(i) depreciation shall be taken on a straight line basis, at a rate designed to amortize the City investment in such depreciable assets (less their estimated salvage or residual value) over their estimated useful life; and

(ii) expenditures for periodic maintenance having a useful life of more than one year shall be considered to be capital expenditures for depreciable assets, unless such expenditures are relatively minor in amount; and

(k) interest on funds of City (other than Government Grants in Aid) invested in capital expenditures, including acquisition of land and costs of removal of railroads, relocation of highways, land clearance and construction work, which interest shall be computed as follows:

(i) interest allocable to any year on such funds invested in non-depreciable assets shall be computed on the City investment in such assets;

(ii) interest allocable to any year on such funds invested in depreciable assets shall be computed on the depreciated City investment in such assets at the beginning of such year;

(iii) interest on such funds actually borrowed by City shall be computed at the effective rate payable under such borrowing; and

(iv) interest on general funds of City shall be computed at the effective rate available to City, at the time of the use of such funds, for borrowings on its general obligations.

Any payments which, under the terms and provisions of any revenue bonds or any related ordinance or indenture of City, are required to be made by City in any year in excess of interest allocable to such year on funds obtained by City from the issuance of such bonds, plus depreciation allocable to such year on depreciable assets acquired with such funds (such interest and depreciation being computed as above provided) are herein referred to as revenue bond excess charges. If the Airlines Representative shall have approved the terms and provisions of any revenue bonds and any related ordinance and indenture of City, then the revenue bond excess charges for any year in connection with such revenue bonds shall be included in Airport Expense for such year to the proportionate extent that funds obtained by City from the issuance of such revenue bonds have been or are to be used in connection with the Airport, but otherwise such revenue bond excess charges shall not be included in Airport Expense.

If revenue bond excess charges in connection with any issue of revenue bonds are to be included in Airport Expense as above provided, then, for the purpose of computing the amount of interest and depreciation to be included in Airport Expense, the funds obtained by City from the issuance of such bonds and the City investment in depreciable assets acquired with such funds shall be deemed reduced to the extent that any revenue bonds of such issue shall have been paid or retired. If any revenue bond excess charges which are included in Airport Expense are used for any expenditures in connection with the Airport, neither such expenditures nor interest nor depreciation thereon shall be included in Airport Expense.

It is expressly agreed by the parties hereto that if the Airlines Representative shall approve in writing the terms and provisions of any ordinance adopted by the City Council of City authorizing the issuance of revenue bonds, for the further development of the Airport, as authorized by Sections 22-3 to 22-12 of the Revised Cities and Villages Act, approved August 15, 1941, as amended, then any covenants of City in such approved ordinance that it will fix and collect rents, rates of toll and other charges for the use of the Airport or any buildings, structures or facilities located thereon or related thereto, sufficient, together with other available money, to produce revenue adequate to pay such bonds at maturity and accruing interest and reserves therefor and sufficient to pay costs of maintenance, operation and depreciation thereof, and any provisions of such approved ordinance authorizing the issuance of additional bonds and providing for setting aside sinking funds, reserve funds and depreciation funds and any other provisions of such approved ordinance, shall be in force and controlling as to any provisions which are contrary to or inconsistent with the terms and provisions of this Agreement.

Airport Expense shall not include any of the following items:

(a) any expense or expenditure (and any related interest and depreciation) which is of a nature or amount which would not have been incurred by a reasonably prudent operator of an airport; or

(b) any interest or depreciation on Government Grants in Aid or on property acquired by City with Government Grants in Aid, but in case of such property only to the proportionate extent such property has been or is acquired by City with Government Grants in Aid.

Section 15.03. Net Airport Expense. The "Net Airport Expense" for any calendar year shall mean the Airport Expense for such year, minus the aggregate of all revenues of City (other than Flight Fees required to be paid by Airline Parties) and other credits properly allocable to such year and to the Airport, all as determined in accordance with generally accepted sound accounting practices and principles, subject to the specific requirements hereinafter set forth.

Such revenues and credits allocable to any year include, without limitation, the following:

(a) fees in connection with each fee landing at the Airport during such year, computed at the Flight Fee rate then currently in effect under this Agreement, of aircraft other than

(i) aircraft operated by any Airline Party,

(ii) aircraft operated by the United States Government or any department or agency thereof, if and to the extent that the terms and conditions of the quitclaim deed referred to in Article I hereof remain in effect and, under such terms and conditions, the use of the Airport by such aircraft is to be without charge of any nature, other than payment for damage caused by Government aircraft, or if and to the extent that under the terms and conditions of assurances pursuant to the Federal Airport Act, the use of the Airport by such aircraft is to be without charge, and

(iii) aircraft operated by any Federal or State National Guard;

(b) fees, in such amount as is determined by City, actually paid to City in connection with each landing at the Airport during such year of aircraft operated by any Federal or State National Guard and of helicopter aircraft operated in local service between the Airport and any point within a radius of fifty miles from the Airport;

(c) any amount paid to City by the United States Government or any agency or department thereof or by others (including amounts paid by any insurer) for damage caused to the Airport, any such payment to be allocated to the calendar year in which received by City;

(d) lease rentals and payments for utilities for all areas included in the Airport;

(e) all revenues from fixed base operators at the Airport, except to the extent, if any, that such revenues represent credits for fees, already deducted in determining Net Airport Expense, in connection with fee landings of aircraft at the Airport;

(f) all revenues from all other concessionaires of every character and description whatsoever, including, without limitation, automobile parking, ground transportation, insurance, restaurant, food, beverage, newsstand and merchandise concessionaires; and

(g) all other revenues (other than Flight Fees required to be paid by Airline Parties) from the Airport.

In the event upon termination of any lease of any area, City obtains title to and possession of any improvements constructed on such area by the lessee under such lease, City shall not be deemed, for the purposes of this Agreement, to receive thereby any revenue or to have thereby any investment in such improvements.

City shall operate the Airport in a manner so as to produce revenues from the Airport of a nature and amount which would be produced by a reasonably prudent operator of an airport; provided, however, nothing contained herein shall impose any obligation upon City to charge any fees in connection with any landing referred to in subparagraph (b) of the second paragraph of this Section 15.03.

One-third of any deficiency which any Airline Parties may be required to pay to City pursuant to the provisions of Section 2.02 hereof shall be treated as a revenue of City allocable to the calendar year 1957, and the remainder of such deficiency shall be treated as a revenue of City allocable to the calendar year 1956.

Section 15.04. Adjusted Net Airport Expense. The "Adjusted Net Airport Expense" for any calendar year shall mean the Net Airport Expense for such year,

(a) plus, in case of any calendar year commencing on or after January 1, 1957, any excess of the aggregate of Net Airport Expense for such calendar year and for all prior calendar years, commencing with the year 1957, over the aggregate Flight Fees required to be paid in connection with all fee landings at the Airport during such years of all aircraft operated by all Airline Parties at the time involved, or

(b) minus, in case of any calendar year commencing on or after January 1, 1957, any excess of the aggregate Flight Fees required to be paid in connection with all fee landings at the Airport during such

year and all prior calendar years, commencing with the year 1957, of all aircraft operated by all Airline Parties at the time involved, over the aggregate of Net Airport Expense for such years.

Section 15.05. Government Grants in Aid. "Government Grants in Aid" shall mean funds obtained by City, otherwise than by borrowing, and property acquired by City, otherwise than by purchase, from the United States Government or any department or agency thereof, or from the State of Illinois or any department, agency or subdivision thereof other than City.

Section 15.06. Airline Parties. "Airline Parties" shall mean at any time those air carriers who then have agreements with City under which they agree to pay to City, in connection with each fee landing at the Airport of aircraft operated by them, Flight Fees on the basis and in the manner provided in this Agreement and who are either

- (a) scheduled air carriers holding certificates of public convenience and necessity issued by the Civil Aeronautics Board,
- (b) foreign air carriers holding foreign air carrier permits issued by the Civil Aeronautics Board, or
- (c) air carriers holding certificates of convenience and necessity issued by the Illinois Commerce Commission (or any successor thereto).

Section 15.07. Majority in Interest of Airline Parties. The "Majority in Interest of Airline Parties" shall mean at any time the then Airline Parties who (a) constitute at least one-half of all then Airline Parties and (b) operated aircraft landed in fee landings at the Airport during the next preceding calendar year having an aggregate approved maximum landing weight representing over 50% of the aggregate approved maximum landing weight of all aircraft, landed in fee landings at the Airport during such year, operated by all Airline Parties at the time of determination.

Section 15.08. Airlines Representative. The "Airlines Representative" at any time shall mean such person (and such alternates, in such order) then designated by a Majority in Interest of Airline Parties by notice to the Commissioner of Public Works. Any such designation of such Representative shall remain in full force and effect until revoked or modified by a Majority in Interest of Airline Parties by notice to the Commissioner of Public Works.

Section 15.09. Commissioner of Public Works. The "Commissioner of Public Works" shall mean the Commissioner of Public Works of City (or if at any time the present jurisdiction over the Airport of the Commissioner of Public Works of City shall be transferred to some other department or office, then the head of such department or office) and his duly authorized assistants.

Section 15.10. Civil Aeronautics Administration, Civil Aeronautics Board. The "Civil Aeronautics Administration" and the "Civil Aeronautics Board" shall each include any successor thereto.

Section 15.11. Burke Report. The "Burke Report" shall mean the October, 1954 report entitled "O'Hare Field—Chicago International Airport—Plan 'C' Development," prepared for City by Ralph H. Burke.

ARTICLE XVI

MISCELLANEOUS

Section 16.01. Treatment of others. Subject to the capacity thereof, the areas and facilities described in Article I hereof shall be available to any person, without unjust or unreasonable discrimination as to services and charges, for landing and take-off by any aircraft. No rights, privileges or rates of charges at the Airport

shall be granted by City to any air transportation company in competition with Airline, which are more favorable to such company than those granted to Airline, and the effect of which is to place Airline at a competitive disadvantage.

Section 16.02. Consents and approvals of Commissioner of Public Works. Consents and approvals by the Commissioner of Public Works shall be in writing and shall not be unreasonably withheld.

Section 16.03. Notices. All notices to City provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to the Commissioner of Public Works of the City of Chicago, City Hall, Chicago, Illinois, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline, *1885 University Ave., St. Paul, Minn.* or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 16.04. Separability. In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either City or Airline in their respective rights and obligations contained in the valid covenants, conditions or provisions in this Agreement.

Section 16.05. Assignment. Airline shall not assign this Agreement or any of its rights hereunder, either in whole or in part, except with the prior consent of the Commissioner of Public Works; provided, however, that the foregoing shall not prevent the assignment of this Agreement and of all of Airline's rights hereunder to any corporation into or with which Airline may merge or consolidate, or which may succeed to the business of Airline.

Section 16.06. Remedies cumulative. The rights and remedies hereunder are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

Section 16.07. Headings. The Article and Section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

Section 16.08. Successors and assigns. All of the covenants, stipulations and agreements herein contained shall, subject to the provisions of Section 16.05 hereof, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 16.09. Construction. This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois.

Section 16.10. Counterparts. This Agreement has been executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the CITY OF CHICAGO has caused this Agreement to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and *Northwest Airlines Inc.* has caused this instrument to be executed on its behalf by its *Vice* President and its corporate seal to be hereunto affixed and attested by its Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

By *Richard J. Daley*
Mayor

ATTEST:

John C. Marcin
City Clerk

Northwest Airlines, Inc.

By *Frank C. Judd*
Vice President - *Ops & Engrg.*

ATTEST:

A. E. Sloan
Vice Pres & Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that RICHARD J. DALEY and JOHN C. MARCIN, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

15/

Notary Public, Cook County, Illinois

My commission expires

STATE OF _____ }
COUNTY OF _____ } ss

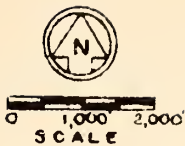
I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as _____ President and _____ Secretary of _____, a corporation of the State of _____, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

15/

Notary Public

My commission expires



BLUE
RIDGE

TOUHY AVE

HIGGINS,

ROAD

COOK CO
DU PAGE CO.

DU PAGE CO
COOK CO.

ROAD
YORK

BRYN MAWR AVE

LAWRENCE AVE

WOLF ROAD

IRVING

PARK

BLVD.

MILWAUKEE

R. R.

EXHIBIT "A"
TO AIRPORT USE
AGREEMENT

DRWG NO
8889

O'HARE FIELD
BOUNDARY & LAND MAP





- LEGEND
- ||||| U.S.A.A.F. RESERVATION
 - XXXX DEEDED TO CITY OF CHICAGO BY U.S. GOVT.
 - ////// LAND PURCHASED BY CITY OF CHICAGO

AND TO BE PURCHASED BY CITY OF CHICAGO
EXISTING AIRPORT BOUNDARY

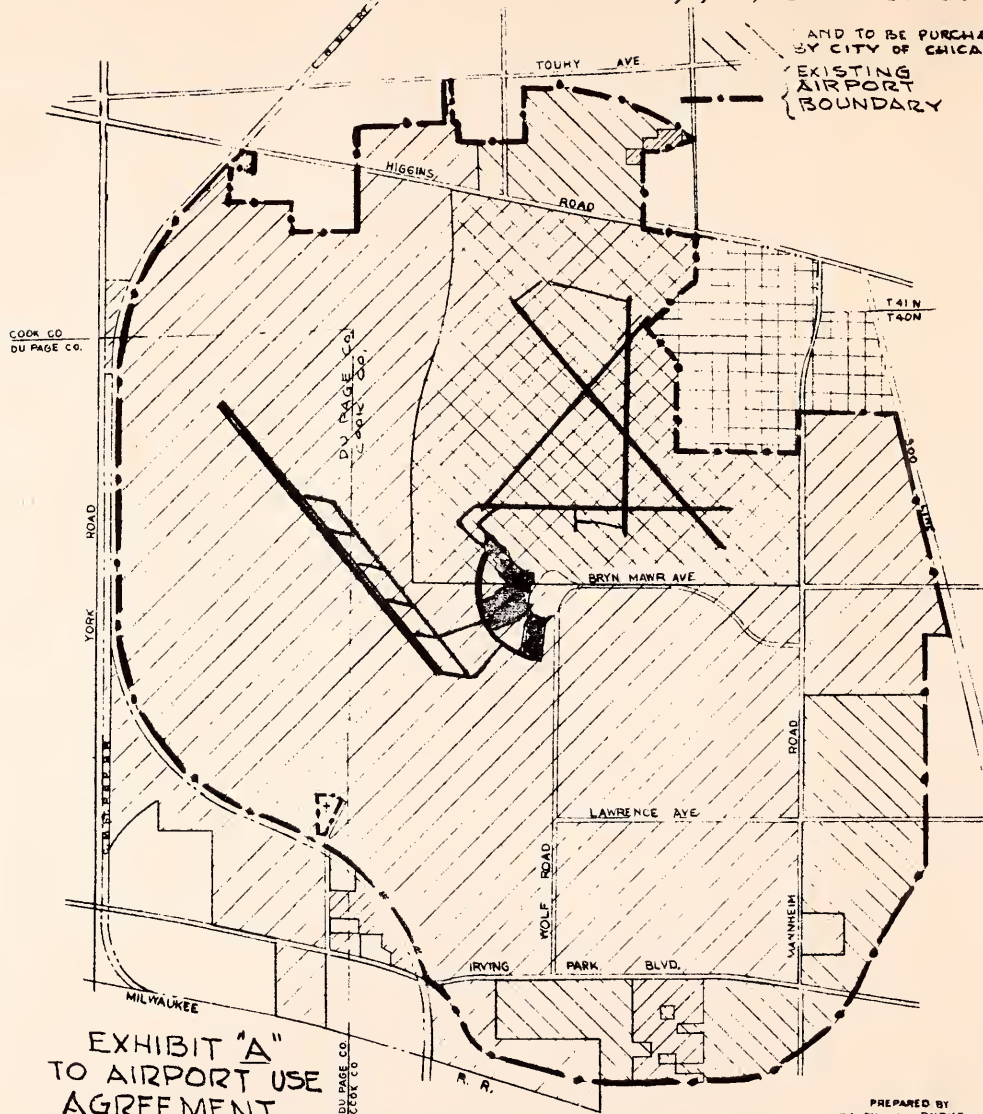


EXHIBIT "A"
TO AIRPORT USE
AGREEMENT

DRWG NO
8889

O'HARE FIELD
BOUNDARY & LAND MAP

PREPARED BY
RALPH H BURKE
AIRPORT CONSULTANT
CITY OF CHICAGO

LEASE OF TERMINAL FACILITIES

THIS LEASE, made and entered into this 28th day of October A.D. 1955, by and between the City of Chicago, a municipal corporation of the State of Illinois (hereinafter referred to as "City"), and *Northwest Airlines, Inc.*, a corporation organized and existing under and by virtue of the laws of the State of *Minnesota* (hereinafter referred to as "Airline"),

WITNESSETH:

WHEREAS, City owns and operates the Airport known as "O'Hare Field, Chicago International Airport" (a plat of said Airport being attached as Exhibit A to the agreement, of even date herewith, entitled and hereinafter referred to as the "Airport Use Agreement", which City and Airline have entered into contemporaneously with the execution hereof), situated in the County of Cook and the County of DuPage, State of Illinois, with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided; and

WHEREAS, Airline is engaged in the business of air transportation and desires to lease certain premises and facilities in the terminal building, including the baggage building adjacent thereto (a plat of said terminal building being attached hereto marked Exhibits 1, 2, 3, 4 and 5 and made a part hereof), at the Airport (said terminal building, including the baggage building adjacent thereto, together with any additions and improvements hereafter provided to or in said terminal building and baggage building, being hereinafter referred to as the "Terminal Building"), and to obtain certain rights and privileges with respect to the Terminal Building and the Airport, upon the terms and conditions hereinafter provided; and

WHEREAS, City is willing to lease to Airline such premises and facilities, and to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided; and

WHEREAS, contemporaneously with the execution hereof, City and Airline have entered into the Airport Use Agreement;

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

ARTICLE I

PREMISES

Section 1.01. Lease of premises. City does hereby lease and grant to Airline, and Airline does hereby hire and take from City, for use in carrying on the business of air transportation, the premises, facilities, rights and privileges hereinafter described, subject, however, to rules and regulations promulgated by City in accordance with Article VIII hereof and to the payment of rentals and charges hereinafter provided.

Section 1.02. Airline's Exclusive Terminal Building Space. City leases to Airline, and grants to Airline, its employees, agents, passengers, guests, patrons and invitees, the exclusive use of space, improvements and facilities (hereinafter referred to as "Airline's Exclusive Terminal Building Space") in the Terminal Building, consisting of:

(a) *204* square feet of space designated on said Exhibit 1 as "Ticket Space—*NWA*", and hereinafter referred to as "Airline's Ticket Counter Space";

(b) *204* square feet of space designated on said Exhibit 1 as "Office Space—*NWA*", and hereinafter referred to as "Airline's Office Space";

~~(c) _____ square feet of space designated on said Exhibit 2 as "Main Building Operations Space—", and hereinafter referred to as "Airline's Operations Space—Main Building"; and _____~~

(d) 4329 square feet of space designated on said Exhibit 4 as "Finger Operations Space—~~NWA~~", and hereinafter referred to as "Airline's Operations Space-Finger";

including, in each case, improvements and facilities therein.

Airline's Operations Space—Main Building and Airline's Operations Space—Finger are hereinafter collectively referred to as "Airline's Operations Space".

Such use shall include the use of Airline's Exclusive Terminal Building Space for the following purposes:

(a) the maintenance and operation, in connection with the conduct by Airline of air transportation, of ticketing and passenger and baggage handling facilities and reservations offices in Airline's Ticket Counter Space, of customer relations and waiting room facilities, reservations offices and administrative offices in Airline's Office Space and of passenger handling, customer relations and waiting room facilities, reservations offices, administrative offices and operations offices in Airline's Operations Space;

(b) the training of personnel in the employ or under the direction of Airline;

(c) the maintenance and operation of facilities and equipment and the carrying on of activities reasonably necessary or convenient in connection with the foregoing, including, without limitation, the furnishing of beverages in customer relations facilities; provided, however, that unless the Commissioner of Public Works shall otherwise consent, no charge shall be made by Airline for beverages furnished by it in customer relations facilities; and

(d) the carrying on of other operations and activities reasonably necessary or convenient to the conduct by Airline of air transportation; provided, however, that all such other operations and activities shall be subject to the approval of the Commissioner of Public Works;

provided, however, that the foregoing shall not permit the use of Airline's Exclusive Terminal Building Space for the sale of air travel insurance (excepting foreign air travel insurance, if such insurance is not otherwise conveniently available in the Terminal Building) or public restaurant or merchandising operations, or the conduct of any business separate from Airline's operation of an air transportation system.

The exclusive use by Airline of Airline's Ticket Counter Space, however, is subject to the right of other Airline Party Lessees to use, in common with Airline, for the purpose of conveying baggage to the Outbound Baggage Space, hereinafter referred to, the baggage conveyor system and baggage chutes now or hereafter installed by City in Airline's Ticket Counter Space, such right of use by other Airline Party Lessees, however, being subject to the limitation that proper use by Airline of such baggage conveyor system and baggage chutes is not unreasonably interfered with. Airline is hereby granted a similar right to use any baggage conveyor system and baggage chutes now or hereafter installed by City in any space in the Terminal Building leased by City to any Airline Party for its exclusive use for ticket counter purposes.

~~City also grants to Airline, its employees, agents, passengers, guests, patrons and invitees, the use of, in common with others, and without the payment of additional rental by Airline, square feet of space adjacent to the Terminal Building designated on said Exhibit 5 as "Covered Walkway Space—", which space may be used, until the removal of the improvements thereon is necessitated by extension of the Terminal Building, for the maintenance and operation of passenger handling and waiting room facilities. In other respects, Airline's rights and obligations hereunder with respect to such space shall be the same as if such space were considered Airline's Operations Space—Finger.~~

Section 1.03. Airline Joint Space. City leases to Airline and grants to Airline, its employees, agents, passengers, guests, patrons and invitees, the use of, in common with other Airline Party Lessees, the space in the Terminal Building designated on said Exhibit 2, and hereinafter referred to, as the "Outbound Baggage Space," including all improvements and facilities therein.

City leases to Airline and grants to Airline, its employees, agents, passengers, guests, patrons and invitees, the use of, in common with others authorized to use, the space in the Terminal Building designated on said

Exhibit 5, and hereinafter referred to, as the "Inbound Baggage Space", including all improvements and facilities therein.

City leases to Airline and grants to Airline, its employees and agents, the use of, in common with other Airline Party Lessees, the space in the Terminal Building designated on said Exhibit 1, and hereinafter referred to as, the "Airline Toilet Space," and the space in the Terminal Building designated on said Exhibit 2, and hereinafter referred to as, the "Sanitary Room Space", including in each case all improvements and facilities therein.

The Outbound Baggage Space and the Inbound Baggage Space (hereinafter collectively referred to as the "Airline Baggage Space") may be used for the purpose of receiving, storing and delivering outgoing and incoming baggage, respectively, the maintenance and operation of baggage handling, locker, rest room and related facilities, and if and to the extent agreed upon by a Majority in Interest of Airline Party Lessees, receiving, storing and delivering of cargo and mail, other than in connection with exclusive freight or cargo flights.

The Airline Toilet Space may be used for the maintenance and operation of locker, rest room and related facilities.

The Sanitary Room Space may be used for the maintenance and operation of facilities for the disposal of airplane toilet waste.

The Airline Baggage Space, the Airline Toilet Space and the Sanitary Room Space are hereinafter collectively referred to as the "Airline Joint Space."

The Airline Joint Space, or any part thereof, may be maintained and operated by Airline in conjunction with other Airline Party Lessees, directly or through another designated by it or them.

Section 1.04. Substitution of space; Additional space. Whenever improvements by City in the Terminal Building necessitate the temporary or permanent surrender by Airline of any of Airline's Exclusive Terminal Building Space hereinabove described or by Airline Party Lessees of any Airline Joint Space hereinabove described, City shall have the right to require such surrender. City, however, shall not require any such surrender until after it has first conferred with Airline as to the necessity for such surrender and as to the space in the Terminal Building available for use by Airline, on a temporary or permanent basis, in substitution for the space to be surrendered, and has in good faith considered suggestions made by Airline in this regard, and after such conference has given Airline reasonable notice of the surrender and substitution which is to be made. City shall use its best efforts to provide substituted space at such location in the Terminal Building and for such period as, consistent with the program of such improvements and the rights of other Airline Party Lessees, will (a) least interfere with Airline's operations, (b) cause Airline the least amount of additional expense and (c) afford Airline with substituted space, as far as practicable as adequate and convenient for its purposes as the space to be surrendered. Airline, however, shall not be required to accept, without its consent, substituted space having a total square footage in excess of the total square footage of the surrendered space. Any surrender pursuant to the foregoing provisions shall not be required prior to the time when substituted space in the Terminal Building, in condition for use by Airline, is made available for use by Airline, at which time the lease hereunder of the substituted space shall commence and (a) if the surrender is on a permanent basis, the lease hereunder of the surrendered space shall terminate, and (b) if the surrender is on a temporary basis, the rental hereunder of the surrendered space shall abate during the period of surrender.

Airline and City may from time to time agree upon the substitution of space in the Terminal Building for all or any part of Airline's Exclusive Terminal Building Space then leased hereunder and a Majority in Interest of Airline Party Lessees and the City may from time to time agree upon the substitution of space in the Terminal Building for all or any part of the Airline Joint Space then leased hereunder.

In the event of surrender of any of Airline's Exclusive Terminal Building Space in substitution for other space in the Terminal Building, Airline shall remove from such surrendered space within a reasonable time (not to exceed 60 days) after such substitution, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it and such other fixtures and construction of a temporary nature installed therein

by Airline as the Commissioner of Public Works may require. In the event of any surrender of any of the Airline Joint Space in substitution for other space in the Terminal Building, Airline shall, together with other Airline Party Lessees, remove from such surrendered space within a reasonable time (not to exceed 60 days) after such substitution, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by Airline Party Lessees and such other fixtures or construction of a temporary nature installed therein by Airline Party Lessees as the Commissioner of Public Works may require.

As and when any substitute or additional space is available in the Terminal Building for use by air transportation companies, City shall, insofar as is not inconsistent with its program of improvements, the needs and desires of other air transportation companies and the prudent and efficient operation of the Terminal Building by the City, afford Airline the opportunity to lease such substitute or additional space hereunder.

Any space in the Terminal Building leased to Airline in substitution for or as additional Airline's Ticket Counter Space, Airline's Office Space, Airline's Operations Space—Main Building, Airline's Operations Space—Finger, the Airline Toilet Space, the Outbound Baggage Space, the Inbound Baggage Space or the Sanitary Room Space, as the case may be, shall be included in space leased hereunder on the same terms and conditions and at the same rental per square foot of such substituted or additional space, as is herein provided for the category of the space as to which such substitution or addition occurs; provided, however, that if, in accordance with the provisions of this Section, any space is temporarily substituted hereunder for other space, the term of the lease for such substituted space shall be only of such duration as is required for the purposes of such temporary substitution.

Section 1.05. Terminal Building Public Facilities. City grants to Airline, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of services, the right to use, in common with others, all space, improvements, facilities, equipment and services (hereinafter referred to as "Terminal Building Public Facilities") now or hereafter provided by City for public use at or in connection with the Terminal Building, including, without limitation, passenger walkways and passenger loading facilities, public lobbies, public lounges, public waiting rooms, public hallways, stairways and escalators, public rest rooms and other public conveniences.

Section 1.06. Ingress and egress. Right to purchase property. Subject to the foregoing and to rules and regulations promulgated by City in accordance with Article VIII hereof, Airline shall have the right and privilege over the Airport of ingress to and egress from the premises and facilities described in this Article I for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their equipment, vehicles, machinery and other property, and except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, for such right of ingress and egress, or for the privilege of purchasing, selling or using any materials or services purchased or otherwise obtained by Airline, or transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's business or exercising any right or privilege granted by City hereunder. Public automobile parking areas at the Airport shall be made available for use of employees of Airline at a reasonable monthly rate. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of automobile parking areas (subject, however, to the foregoing provisions respecting employee parking) or sightseeing facilities, or for the use of ground transportation to or from the Airport furnished by City or its concessionaires, or for the furnishing or sale by City or its concessionaires to the public at the Airport of services, insurance, food and merchandise, or preclude City from imposing any tax, permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder.

Airline shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice.

Section 1.07. Conduct of operations for other Airline Parties. Any space leased to Airline under this Article I, either for its exclusive use or for use in common with any others, may also be used by Airline on

behalf of or in conjunction with any other Airline Party or Parties in connection with the conduct of air transportation by such other Airline Party or Parties, to the same extent as Airline is entitled to use such space in its own behalf in connection with its conduct of air transportation, and in such case the rights and privileges granted hereunder to Airline, its employees, agents, passengers, guests, patrons and invitees, and its or their suppliers of materials and furnishers of service shall, to the same extent, be granted to such other Airline Party's or Parties' employees, agents, passengers, guests, patrons and invitees, and its or their suppliers of materials and furnishers of service; provided, however, no such use shall be permitted without the consent of the Commissioner of Public Works if such use involves payment to Airline by any such other Airline Party of an amount greater than Airline's estimated expenses with respect to the space, facilities and services used by or furnished to such other Airline Party.

ARTICLE II

TERM

The term of this Lease shall be for a period commencing on the date hereof and ending on October 31, 1970. The provisions of this Article II are subject to the provisions of Section 1.04 hereof.

ARTICLE III

RENTALS FOR TERMINAL BUILDING

Section 3.01. Airline's Exclusive Terminal Building Space. Commencing November 1, 1955 and thereafter during the term hereof as to such Space, Airline shall pay to City rental for Airline's Exclusive Terminal Building Space, as follows:

(a) a monthly rental of *One Hundred Seventy* Dollars (\$*170.00*) for Airline's Ticket Counter Space and Airline's Office Space, predicated on an annual rental of Five Dollars (\$5.00) per square foot;

~~(b) a monthly rental of _____ Dollars (\$ _____) for Airline's Operations Space-
Main Building, predicated upon an annual rental of Two Dollars and Fifty Cents (\$2.50) per square
foot; and~~

(c) a monthly rental of *Four Hundred Fifty One* Dollars (\$*451.00*) for Airline's Operations Space-Finger, predicated upon an annual rental of One Dollar and Twenty-Five Cents (\$1.25) per square foot.

Section 3.02. Airline Joint Space. Commencing November 1, 1955 and thereafter during the term hereof as to such Space, Airline shall pay to City rental for the Airline Joint Space, as follows:

(a) Airline's pro rata share of a monthly rental of Three Thousand and Seventy Nine Dollars (\$3,079) for the Outbound Baggage Space, the Inbound Baggage Space and the Sanitary Room Space, predicated upon an annual rental of Two Dollars and Fifty Cents (\$2.50) per square foot; and

(b) Airline's pro rata share of a monthly rental of Two Hundred and Sixty Dollars (\$260) for the Airline Toilet Space, predicated upon an annual rental of Five Dollars (\$5.00) per square foot.

In the event that the Inbound Baggage Space is used by any person other than Airline Party Lessees and their employees, agents, passengers, guests, patrons and invitees, then a Majority in Interest of Airline Party Lessees may establish a reasonable schedule of charges to such other persons for such use, such schedule of charges to be subject to the approval of the Commissioner of Public Works. All such charges may be collected

at such time and in such manner as may be determined by a Majority in Interest of Airline Party Lessees and the aggregate amount of such charges collected in any month shall be transmitted to the City Comptroller of City on or before the twentieth day following the end of such month and shall be deducted from the rental hereinabove provided (of which Airline is to pay its pro rata share) for the Inbound Baggage Space for such month.

Airline and the other Airline Party Lessees have entered into an interline agreement between themselves providing for the method of determining Airline's pro rata share of the monthly rentals for, and other expenses with respect to, the Airline Joint Space, and the pro rata shares of all parties to such interline agreement aggregate one hundred per cent (100%) of such monthly rentals and expenses. No amendment to such interline agreement will be made which would reduce the aggregate pro rata shares of all Airline Party Lessees, at the time parties thereto, below one hundred per cent (100%) of such monthly rentals and expenses.

Section 3.03. Readjustment of rentals. If prior to November 1, 1960, air conditioning serving Airline's Ticket Counter Space, Airline's Office Space and the Airline Toilet Space, or any thereof, is installed and placed in operation in the Terminal Building by City, then the monthly rental hereinabove provided in Sections 3.01 and 3.02 for such Space so served by such air conditioning shall be increased, effective on the first day of the calendar month next succeeding the date on which such air conditioning is placed in operation, by an amount equivalent to an annual rental of sixty-five cents (65¢) per square foot of such Space.

Notwithstanding the provisions of Sections 3.01 and 3.02 hereof, either Airline or City may, by giving to the other at least thirty (30) days' prior notice, request renegotiation of any rentals for the period commencing on or after November 1, 1960 for Airline's Exclusive Terminal Building Space, the Airline Joint Space, or any portion of any thereof; provided, however, that any such renegotiated rental shall remain in effect for at least five (5) years after the date as of which such rental was renegotiated; and further provided, that no such renegotiated rental as to any such Space shall differ from the rental for such Space hereinabove provided in Section 3.01 or 3.02 hereof, as the case may be, by a greater amount than is required to properly adjust for any increase or decrease in annual maintenance and operation costs of City properly allocable to such Space from the amount of such costs for the calendar year 1956. No such renegotiation of rental shall be made of any space leased to Airline hereunder, unless such renegotiation applies to all similar space in the Terminal Building leased to each Airline Party Lessee. The Commissioner of Public Works and the Airline Party Lessees shall seek in good faith to renegotiate, subject to the limitation above provided, any rental the renegotiation of which is requested in accordance with the provisions of this Section. Any such renegotiated rental, the amount of which is agreed upon between the Commissioner of Public Works and a Majority in Interest of Airline Party Lessees, shall be and remain the rental for the Space involved until any further renegotiation thereof in accordance with the provisions of this Section.

ARTICLE IV

PAYMENT OF RENTAL

Airline shall, on or before the first day of each calendar month during the term hereof, pay to City rental due for such month for Airline's Exclusive Terminal Building Space.

Airline shall, on or before the twentieth day following the end of each calendar month during the term hereof, pay to City the Airline's pro rata share of rental due for such month for the Airline Joint Space.

Notwithstanding the foregoing, if any rental commences or is adjusted otherwise than as of the first day of any month or terminates prior to the last day of any month, rental for such month shall be determined on a pro rata basis according to the number of days of such month involved, and any required payment or refund of rental for such month shall be made as promptly as practicable.

The payment of the foregoing rentals shall be made at the office of the City Comptroller of City.

ARTICLE V

CONSTRUCTION, MAINTENANCE AND REPAIR BY AIRLINE

Section 5.01. Construction, maintenance and repair on Airline's Exclusive Terminal Building Space.

Airline may construct or install, at its own expense, any equipment, improvements and facilities, and any additions thereto, on all or any part of Airline's Exclusive Terminal Building Space. All such construction or installation shall be made after obtaining any requisite building or construction licenses or permits. Plans and specifications of any proposed construction or installation of improvements and facilities (including any substantial alteration or addition thereto) shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement of construction or installation. Any advertising signs installed by Airline shall be limited to those which advertise air transportation, and the number, general type, size, design and location of such signs shall be subject to the approval of the Commissioner of Public Works.

Airline shall keep and maintain all such improvements and facilities and additions thereto constructed or installed by it in good condition and repair, reasonable wear and tear excepted. No restrictions shall be placed upon Airline as to the architects, builders or contractors who may be employed by it in connection with any construction, installation, alteration, repair or maintenance of any such improvements, facilities and additions.

Airline shall keep Airline's Exclusive Terminal Building Space in a sanitary and slightly condition.

Section 5.02. Construction, maintenance and repair on Airline Joint Space. Airline may, jointly with other Airline Party Lessees, construct or install any equipment, improvements and facilities on all or any part of the Airline Joint Space, all such construction or installation to be made, kept and maintained in the same manner and under the same conditions as construction or installation on Airline's Exclusive Terminal Building Space.

Airline shall, together with other Airline Party Lessees, keep the Airline Joint Space in a sanitary and slightly condition.

Section 5.03. Covenant against liens. Airline shall keep Airline's Exclusive Terminal Building Space and the Airline Joint Space and the installations situated thereon free and clear of any and all liens in any way arising out of the construction, improvement or use thereof by Airline; provided, however, that Airline may in good faith contest the validity of any lien.

Section 5.04. Performance by City upon failure of Airline to maintain. In the event Airline fails to perform for a period of thirty (30) days after notice from City so to do, any obligation required by this Article V to be performed by Airline, City may enter the premises involved (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by Airline) and do all things necessary to perform such obligation, charging to Airline the cost and expense thereof (or in the case of the Airline Joint Space, Airline's pro rata share of such cost and expense) and Airline agrees to pay City such charge in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public or of employees of City, and City so states in its notice to Airline, City may perform such obligation of Airline at any time after the giving of such notice and charge to Airline, and Airline shall pay, as aforesaid, the cost and expense (or in the case of the Airline Joint Space, Airline's pro rata share of the cost and expense) of such performance.

ARTICLE VI

MAINTENANCE, OPERATION AND REPAIR BY CITY

Section 6.01. Maintenance and operation. City shall operate and maintain, in all respects in a manner consistent with that of a reasonably prudent operator of an airport, and keep in good condition and repair, the

Terminal Building and all additions, improvements, facilities and equipment now or hereafter provided by City at or in connection with the Terminal Building, excepting any improvements, facilities and equipment constructed or installed by Airline, either individually or jointly with other Airline Party Lessees. City shall keep the Terminal Building, excepting Airline's Exclusive Terminal Building Space and the Airline Joint Space, in a sanitary and slightly condition.

City shall at all times maintain the Terminal Building Public Facilities so as to provide for reasonably unobstructed use thereof by passengers and invitees, and shall keep such Facilities adequately supplied, equipped (including directional signs), furnished and decorated.

City shall supply adequate heat, water and sewerage facilities for the Terminal Building Public Facilities, Airline's Exclusive Terminal Building Space and the Airline Joint Space, shall supply adequate electric power for normal use and light in all such Facilities and Space, except in Airline's Operations Space-Finger, shall supply electric power lines for normal use adjacent to Airline's Operations Space-Finger, and shall supply janitor service in the Terminal Building Public Facilities, which janitor service shall be of a character satisfactory to a Majority in Interest of Airline Party Lessees; provided, however, that Airline shall be required to pay to City a reasonable charge for heat and water supplied by City to Airline's Operations Space-Finger and for water supplied by City for the purpose of servicing any air conditioning equipment of Airline; and provided further, City shall not at any time be obligated to supply water for the purpose of servicing such air conditioning equipment beyond the then available water capacity.

Section 6.02. Taxes on leased premises. City shall pay any and all taxes or special assessments which may be levied or assessed upon the premises leased hereunder, including both premises leased hereunder to Airline exclusively and to Airline for its use in common with any others; provided, however, that the foregoing shall not apply to taxes on any property of Airline constructed, installed or located on such premises.

Section 6.03. Quiet enjoyment. City agrees that Airline, performing its obligations hereunder, shall be entitled to and shall have the quiet possession and enjoyment of the premises, facilities, rights and privileges leased to it hereunder, subject, however, to the provisions hereof.

Section 6.04. Concessionaires. In the event any concessionaire selected by City for the purpose of operating any concession at or in connection with the Terminal Building shall not operate such concession in a satisfactory and efficient manner, or in the event City shall fail to select a concessionaire for the purpose of furnishing necessary or desirable services or products to the public at or in connection with the Terminal Building, City shall, upon request of a Majority in Interest of Airline Party Lessees, use its best efforts to correct such situation, including, if and so long as required, the selection of another concessionaire, provided that City has the authority so to do under the terms of the applicable concession agreement.

Section 6.05. Performance by Airline upon failure of City to maintain and operate. In the event City fails to perform, for a period of thirty (30) days after notice from Airline so to do, any obligation required by this Article VI to be performed by City, Airline may perform such obligation of City and deduct the cost to Airline of such performance from any amounts due hereunder or otherwise from Airline to City; provided, however, that if City's failure to perform any such obligation endangers the safety of Airline's operations at the Airport and Airline so states in its notice to City, Airline may perform such obligation of City at any time after the giving of such notice and deduct, as aforesaid, its cost of such performance. City, however, shall not be liable to Airline for any loss of revenues to Airline resulting from any of City's acts, omissions or neglect in the maintenance and operation by it of the Airport or any facilities now or hereafter connected therewith.

ARTICLE VII

HANGAR SITE LEASE

City and Airline agree that if a lease is hereafter entered into between City and Airline covering any part of the permanent hangar site area at the Airport, such lease, unless City and Airline otherwise agree, shall be sub-

stantially in the form of, and shall grant rights as provided in, the Hangar Site Lease attached hereto as Exhibit 6.

ARTICLE VIII

RULES AND REGULATIONS

Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by City, which are reasonably required for the prudent and efficient operation of the Airport and are not inconsistent with the reasonable exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the Civil Aeronautics Administration or any other governmental authority having jurisdiction over flight operations at the Airport.

City shall keep Airline supplied with five sets of City's current Airport rules and regulations applicable to Airline. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given fifteen (15) days' notice of the adoption thereof.

City, however, shall have no control over the rates, fares or charges that Airline may prescribe in connection with its conduct of an air transportation business.

ARTICLE IX

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to Airline hereunder.

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to Airline to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport, nor to prevent Airline from operating ground motor transportation for its passengers and their baggage to and from the Airport, provided Airline has otherwise obtained all licenses, permits and authorizations required by law and shall pay to City any reasonable charges, fees and rentals which City from time to time imposes upon others engaged in furnishing similar services.

ARTICLE X

INDEMNITY AND INSURANCE

Airline agrees to indemnify City and keep in force insurance insuring Airline and City as provided in Article X of the Airport Use Agreement.

ARTICLE XI

ABATEMENT

In the event that City's operation of the Airport shall be restricted substantially by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I of the Airport Use Agreement, or otherwise, or by action of the State of Illinois, or any department or agency thereof, in such manner so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abate-

ment of a just proportion of the rentals provided for herein from the time of such notice until such restriction shall have been remedied and normal operations permitted.

If any part of Airline's Exclusive Terminal Building Space or the Airline Joint Space shall be rendered untenable by reason of damage or destruction, by flood, fire, earthquake, other casualty, act of God, or the public enemy, not due to any fault of Airline, and if City is obligated hereunder to repair such damage or destruction, then the rental payable hereunder by Airline for such Space shall be paid up to the date of such damage or destruction, but, unless City shall promptly furnish temporary substitute facilities of an equivalent nature and expeditiously restore such Space, such rental shall thereafter abate in an amount directly proportional to the percentage of such Space as is rendered untenable; provided, however, that if City fails to repair such damage or destruction so that such Space remains untenable for more than thirty (30) days, then Airline at its option may by giving to City at least thirty (30) days prior notice, terminate this Lease in its entirety or as to such Space so rendered and remaining untenable. City shall not be liable to Airline for City's failure to furnish such temporary substitute facilities or, except to reimburse Airline as provided in Article VI, to expeditiously restore such Space.

If due to damage or destruction by flood, fire, earthquake, other casualty, act of God or the public enemy affecting the Airport, Airline's use of the Airport in its conduct of an air transportation system shall be substantially affected, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abatement of a just proportion of the rentals provided for herein from the time of such notice until normal operations are permitted.

ARTICLE XII

TERMINATION BY CITY

City may terminate this Lease by giving Airline sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The filing by Airline of a voluntary petition in bankruptcy.
- (b) The institution of proceedings in bankruptcy against Airline and the final adjudication of Airline as a bankrupt pursuant to such proceedings.
- (c) The taking by a court of competent jurisdiction for a period of sixty (60) days of all or substantially all of Airline's assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- (d) The appointment of a receiver of all or substantially all of Airline's assets and Airline's failure to vacate such appointment within sixty (60) days thereafter.
- (e) The assignment by Airline of its assets for the benefit of its creditors.
- (f) The abandonment by Airline of its conduct of air transportation at the Airport.
- (g) The default by Airline in the performance of any covenant or agreement required to be performed by Airline herein or in any other agreement between City and Airline relating to the Airport or any part thereof, and the failure of Airline to remedy such default for a period of sixty (60) days after receipt from City of notice to remedy the same; provided, however, that no notice of termination shall be of any force or effect if Airline shall have remedied the default prior to receipt of City's notice of termination.

No waiver by City of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

The acceptance by City of any payment by Airline hereunder for or during any period or periods after a default of any of the terms, covenants and conditions contained herein, or in any other agreement between

City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by Airline shall not be deemed a waiver of any right on the part of City to terminate this Lease for failure of Airline to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XIII

RECOVERY OF POSSESSION BY CITY

If Airline shall vacate or abandon any premises leased to it hereunder, either for its exclusive use or for use in common with others, or in case of the termination of this Lease as to any such premises, Airline's right to the possession of the premises so vacated or abandoned, or as to which such termination occurs, shall terminate, with or without any further notice or demand whatsoever, and the mere retention of possession thereafter by Airline shall constitute a forcible detainer of said premises, and upon the termination of Airline's right of possession, as aforesaid, Airline agrees to surrender its possession of said premises immediately, without the receipt of any demand for rent, notice to quit or demand for possession of said premises whatsoever, and hereby grants to City full and free license to enter into and upon said premises, or any part thereof, to take possession thereof, as against Airline and others claiming through it, with or without process of law, and to expel and remove Airline and any other person claiming through it who may be occupying said premises, or any part thereof, and City may use such force in and about so expelling and removing Airline and said other person as may reasonably be necessary, and City may, as against Airline and others claiming through it, repossess itself of said premises as of its former estate, but said entry of said premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause forfeiture of rents due by virtue hereof, nor a waiver of any covenant, agreement or promise herein contained to be performed by Airline.

Airline hereby waives all notice of any election made by City under this Lease, demand for rent, notice to quit, demand for possession, and any and all notices and demands whatsoever of any and every nature which may or shall be required by any statute of this State relating to forcible entry and detainer, or to landlord and tenant, or any other statute, or by the common law during the terms of this Lease; provided, however, the foregoing shall not apply to any notice specifically required under the provisions of this Lease. The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by Airline, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of any right hereby given City, or as an election not to proceed under the provisions of this Lease.

The obligation of Airline to pay the rent reserved hereby shall not be deemed to be waived, released or terminated, by the service of any five-day notice, other notice to collect, demand for possession, or notice by City that the tenancy hereby created will be terminated on the date therein named, the institution of any action of forcible detainer or ejectment or any judgment for possession that may be rendered in such action, or any other act or acts, other than termination of this Lease, resulting in the termination of Airline's right to possession of the demised premises. City may collect and receive any rent due from Airline, and payment or receipt thereof shall not waive or affect any such notice, demand, suit or judgment or in any manner whatsoever waive, affect, change, modify or alter any rights or remedies which City may have by virtue hereof.

ARTICLE XIV

TERMINATION BY AIRLINE

Airline may terminate this Lease and any or all of its obligations hereunder at any time that Airline is not in default in the payment of any amount due from it to City hereunder by giving City sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The failure or refusal of the Civil Aeronautics Administration to approve all weather operations into and from the Airport of aircraft of any type using facilities similar to those at the Airport.

(b) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(c) The issuance of any order, rule or regulation or the taking of any action by the Civil Aeronautics Board or the Civil Aeronautics Administration or other competent governmental authority or the occurrence of any flood, fire, earthquake, other casualty, act of God or the public enemy, substantially affecting, for a period of at least sixty (60) days, Airline's use of the Airport in its conduct of an air transportation system; provided, however, that none of the foregoing is due to any fault of Airline.

(d) The default by City in the performance of any covenant or agreement required to be performed by City herein or in any other agreement between City and Airline relating to the Airport or any part thereof, and the failure of City to remedy such default for a period of sixty (60) days after receipt from Airline of notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if City shall have remedied the default prior to receipt of Airline's notice of termination.

(e) The substantial restriction of City's operation of the Airport by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I of the Airport Use Agreement, or otherwise, or by action of the State of Illinois, or any department or agency thereof, and continuance thereof for a period of not less than sixty (60) days.

No waiver by Airline of default of any of the terms, covenants or conditions hereof, or of any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Airline's performance of all or any part of this Lease for or during any period or periods after default of any terms, covenants and conditions contained herein, or in any other agreement between City and Airline relating to the Airport or any part thereof, to be performed, kept and observed by City shall not be deemed a waiver of any right on the part of Airline to terminate this Lease for failure of City to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XV

SURRENDER OF POSSESSION

Upon termination of this Lease as to any of Airline's Exclusive Terminal Building Space, Airline shall surrender such Space as to which such termination occurs in as good condition as when received, reasonable wear and tear, damage by flood, fire, earthquake, other casualty, act of God or the public enemy excepted.

Upon the termination of this Lease as to any of the Airline Joint Space, Airline shall surrender its rights in such Space as to which such termination occurs, without release, however, of its obligations accrued to such date with respect to maintenance and operation of such Space.

ARTICLE XVI

RIGHT OF AIRLINE TO REMOVE PROPERTY

Airline shall be entitled during the term of this Lease and for a reasonable time (not exceeding forty-five days) after its termination, to remove from the premises involved, or any part thereof, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it, subject, however, to any valid lien City may have thereon for unpaid rentals or other amounts, payable by Airline to City hereunder or under any other

agreement between City and Airline relating to the Airport or any part thereof, and provided that Airline shall repair all damage resulting from such removal.

ARTICLE XVII

DEFINITIONS

The following terms, when used in this Lease, shall have the following meanings:

Section 17.01. Airport; air transportation; Airline Parties; fee landing; approved maximum landing weight; Commissioner of Public Works; Civil Aeronautics Administration; and Civil Aeronautics Board. "Airport," "air transportation," "Airline Parties," "fee landing," "approved maximum landing weight," "Commissioner of Public Works," "Civil Aeronautics Administration," and "Civil Aeronautics Board" have been defined in the Airport Use Agreement and such terms, when used in this Lease, shall have the same meanings as they have in the Airport Use Agreement.

Section 17.02. Airline Party Lessees. "Airline Party Lessees" shall mean at any time those Airline Parties who then (a) operate a scheduled air transportation system, (b) are lessees of Airline Joint Space under leases from City containing provisions with respect to such Space similar to this Lease, and (c) are parties to an interline agreement between all Airline Party Lessees providing for the manner of determining their respective pro rata shares of rentals for, and other expenses with respect to, the Airline Joint Space.

Section 17.03. Majority in Interest of Airline Party Lessees. The "Majority in Interest of Airline Party Lessees" shall mean at any time the then Airline Party Lessees who (a) constitute at least one-half of all then Airline Party Lessees and (b) operated aircraft landed in fee landings at the Airport during the next preceding calendar year having an aggregate approved maximum landing weight representing over 50% of the aggregate approved maximum landing weight of all aircraft, landed in fee landings at the Airport during such year, operated by all Airline Party Lessees at the time of determination; provided, however, that at any time prior to January 1, 1956, such term shall mean the then Airline Party Lessees who (x) constitute at least one-half of all then Airline Party Lessees and (y) are then lessees of over 50% of the total square feet of space in the Terminal Building leased to all then Airline Party Lessees for ticket counter purposes.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01. Equality of treatment. No rights or privileges with respect to or rentals for space in the Terminal Building shall be granted by City to any air transportation company in competition with Airline, which are more favorable to such company than those granted to Airline, and the effect of which is to place Airline at a competitive disadvantage.

Section 18.02. Consents and approvals of Commissioner of Public Works. Consents and approvals by the Commissioner of Public Works shall be in writing and shall not be unreasonably withheld and shall be deemed to have been given unless within thirty (30) days after receipt of written request from Airline for such consent or approval, the Commissioner of Public Works shall have given Airline a written reply refusing or withholding action on such consent or approval and stating valid reasons for such refusal or such withholding of action.

Section 18.03. Notices. All notices to City provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to the Commissioner of Public Works of the City of Chicago, City Hall, Chicago, Illinois, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline, *1885 University Ave.,*

St. Paul, Minn. or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 18.04. Separability. In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either City or Airline in their respective rights and obligations contained in the valid covenants, conditions or provisions in this Lease.

Section 18.05. Subletting and assignment. Airline shall not sublet or assign this Lease or any of its rights hereunder, either in whole or in part, except with the prior consent of the Commissioner of Public Works; provided, however, that, without such consent, Airline may use all or any part of Airline's Exclusive Terminal Building Space and the Airline Joint Space on behalf of or in conjunction with any other Airline Party or Parties as herein permitted, and may assign this Lease and all of Airline's rights hereunder to any corporation into or with which it may merge or consolidate, or which may succeed to its business.

Section 18.06. Remedies cumulative. The rights and remedies hereunder are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

Section 18.07. Headings. The Article and Section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

Section 18.08. Successors and assigns. All of the covenants, stipulations and agreements herein contained shall, subject to the provisions of Section 18.05 hereof, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 18.09. Construction. This Lease shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois.

Section 18.10. Counterparts. This Lease has been executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the CITY OF CHICAGO has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and Northwest Airlines, Inc. has caused this instrument to be executed on its behalf by its Vice President and its corporate seal to be hereunto affixed and attested by its Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

By Richard J. Daley
Mayor

ATTEST:

John C. Marcia
City Clerk

Northwest Airlines, Inc.

ATTEST:

A. E. Sloan
~~Vice President~~ Secretary

By Frank C. Judd
Vice President - Ops. & Engrg.

STATE OF ILLINOIS }
COUNTY OF COOK }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that RICHARD J. DALEY and JOHN C. MARCIN, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

(S/)

Notary Public, Cook County, Illinois

My commission expires

STATE OF _____ }
COUNTY OF _____ }SS

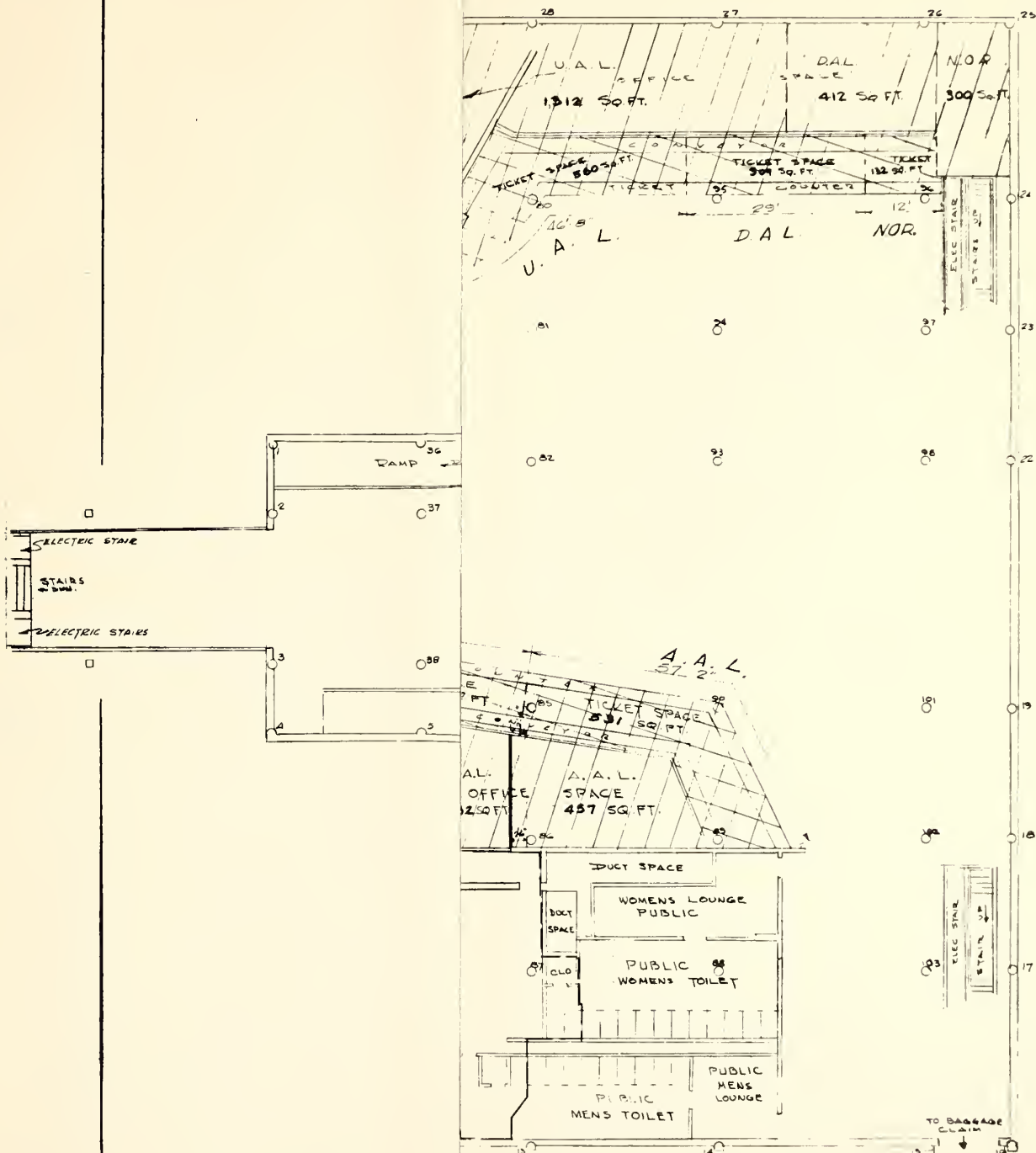
I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as _____ President and _____ Secretary of _____, a corporation of the State of _____, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

(S/)

Notary Public

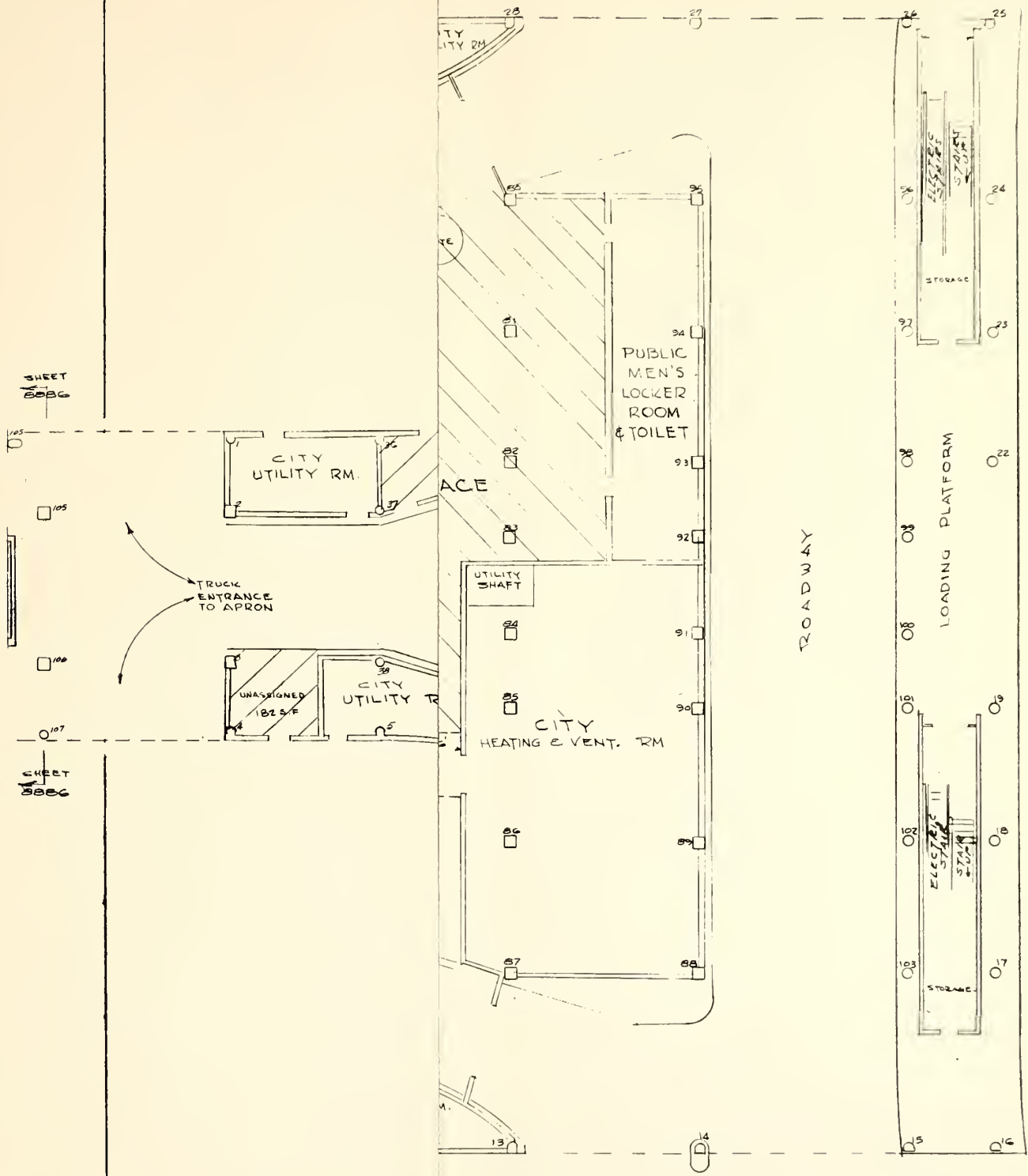
My commission expires



O'HARE FIELD
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR

CONCOURSE LEVEL
AIRLINE SPACE ASSIGNMENT

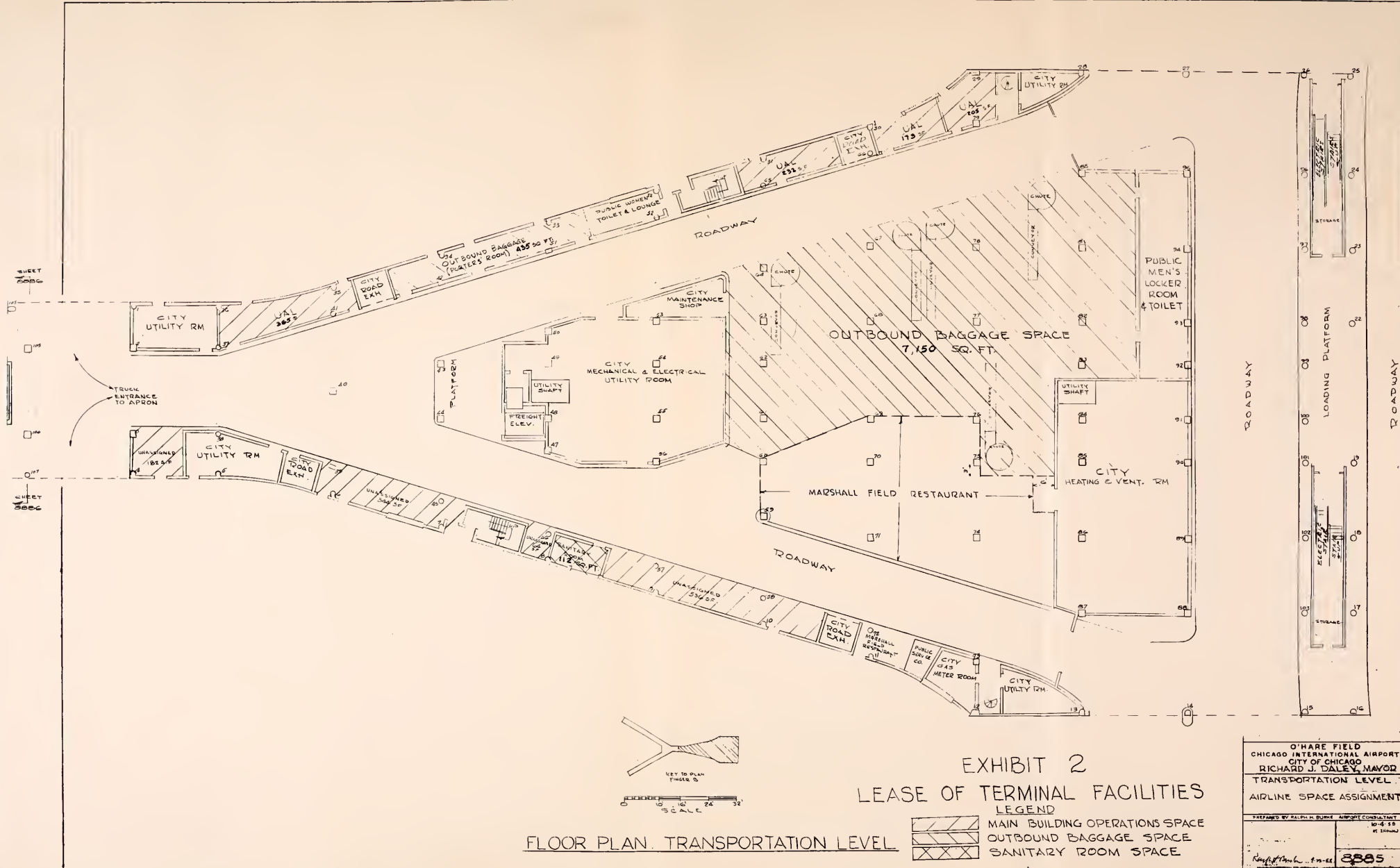
10-4-55
8884



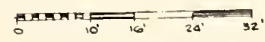
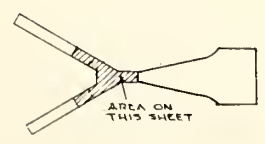
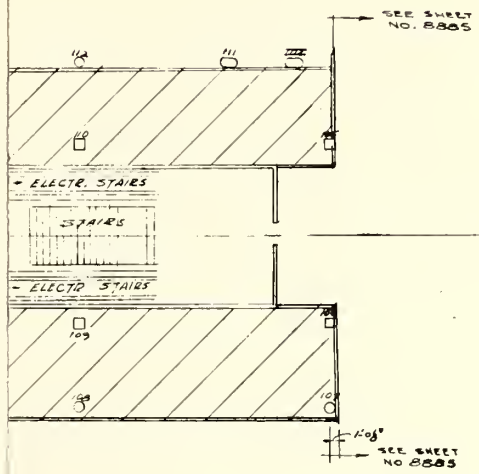
2

VAL FACILITIES
ND
UILDING OPERATIONS SPACE
ND BAGGAGE SPACE
ARY ROOM SPACE

O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J. DALEY, MAYOR	
TRANSPORTATION LEVEL	
AIRLINE SPACE ASSIGNMENT	
PREPARED BY RALPH H. BURKE AIRPORT CONSULTANT	
NO. 4-58 PT. 1 (HAWK)	8885



SHEET
8887



SHEET
8887

UNASSIGNED
3.159 50

UTILITIES
SPACE
CITY
UTILITY ROOM

O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J. DALY, MAYOR	
TRANSPORTATION LEVEL	
AIRLINE SPACE ASSIGNMENT	
PREPARED BY RALPH H. BLAKE, AIRPORT C.	
10-4-55 15' (minimum) 8886	8886

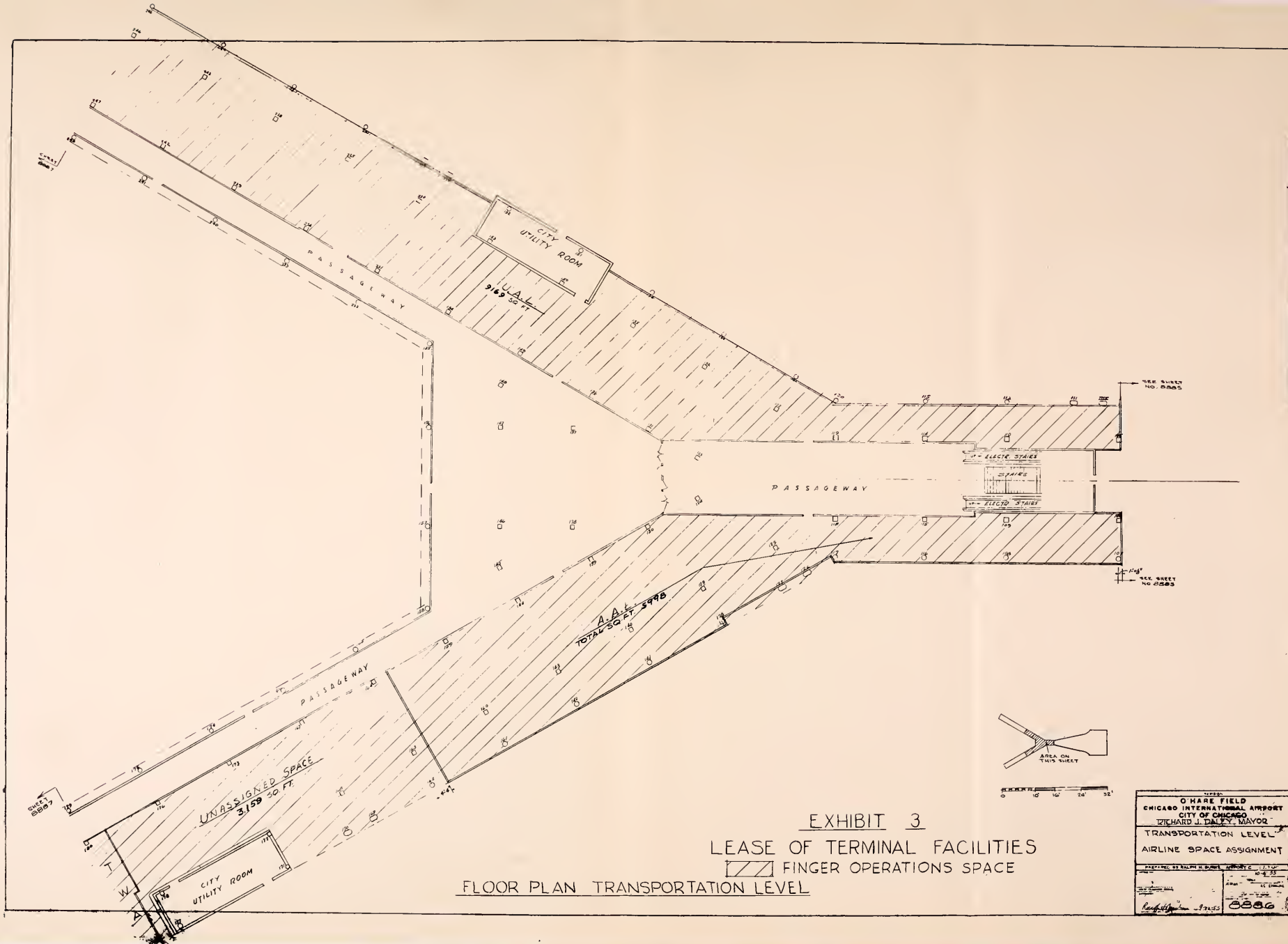
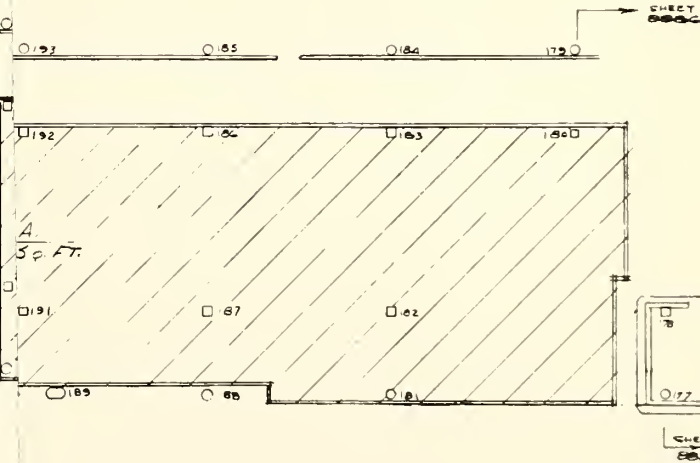
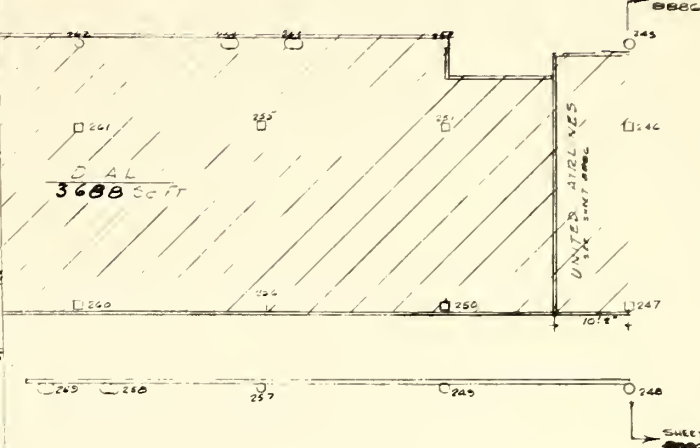
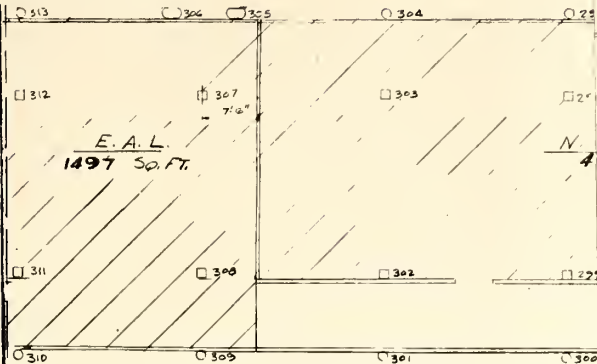


EXHIBIT 3
LEASE OF TERMINAL FACILITIES
 FINGER OPERATIONS SPACE
FLOOR PLAN TRANSPORTATION LEVEL

O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J. DALEY, MAYOR	
TRANSPORTATION LEVEL	
AIRLINE SPACE ASSIGNMENT	
PREPARED BY RALPH H. BAKER DATE 11-1-55 DRAWN BY RALPH H. BAKER DATE 11-1-55	NO. 8882 11-1-55



FOR EASTERN
AIRLINE EXTENSION
SLE DRAWING NO. 8892



4
NAL FACILITIES
RATIONS SPACE

O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J. DALEY, MAYOR	
TRANSPORTATION LEVEL	
AIRLINE SPACE ASSIGNMENT	
DATE: 10-4-55	BY: [Signature]
8887	

1st FLOOR

E.A.L. 1497 Sq.Ft.

N.W.A. 4329 Sq.Ft.

N.O.R. 1556 Sq.Ft.

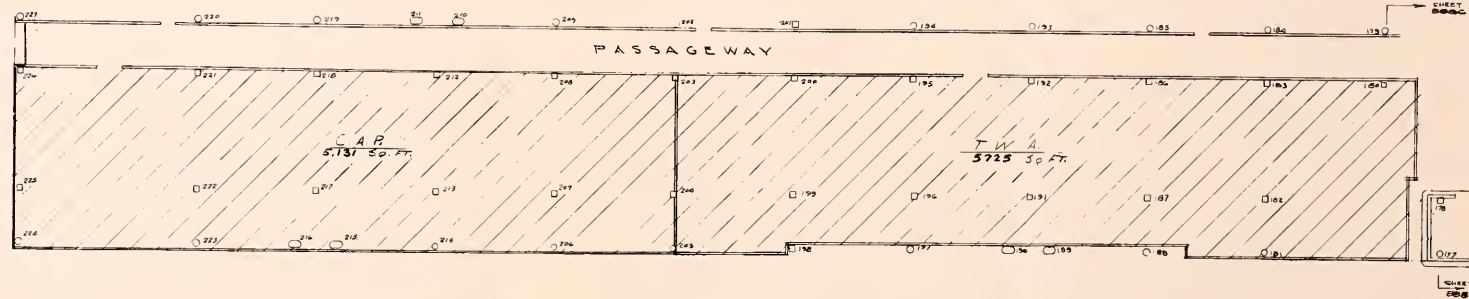
CITY UTILITY ROOM

TRANSMITTER ROOM

C.A.L. 3608 Sq.Ft.

PASSAGE WAY

UNCL. AIRLINES

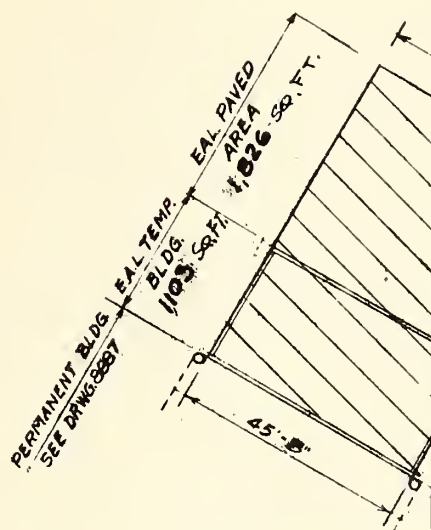


LEASE OF TERMINAL FACILITIES
 [] FINGER OPERATIONS SPACE

FLOOR PLAN TRANSPORTATION LEVEL

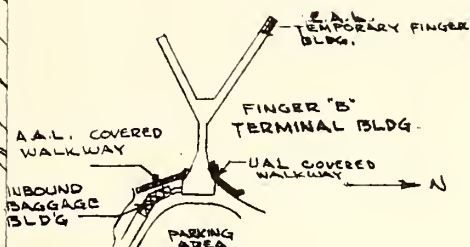
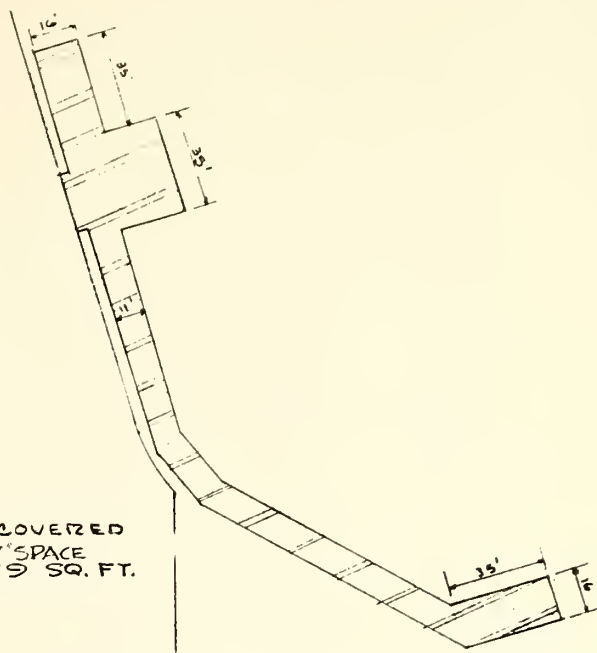
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR
TRANSPORTATION LEVEL
AIRLINE SPACE ASSIGNMENT





E.A.L. SPACE

U.A.L. COVERED WALKWAY SPACE 4,629 SQ. FT.



5

FACILITIES

ATIONS SPACE
D WALKWAY SPACE
GAGE SPACE
WALKWAY SPACE

OHARE FIELD
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR

INBOUND BAGGAGE
BLDG, AAL, E.A.L. & UAL
SPACE ASSIGNMENTS

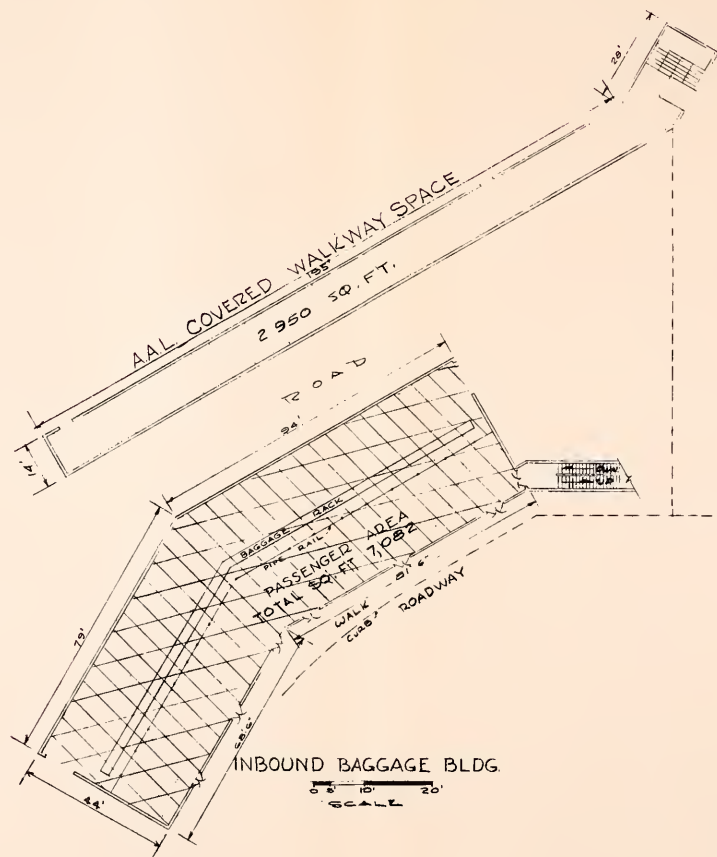
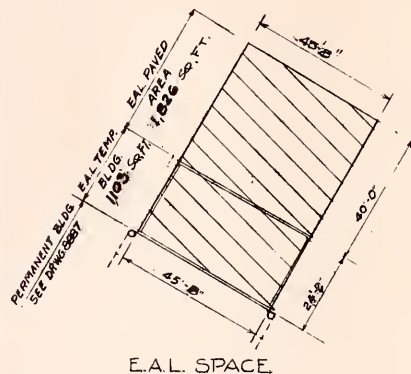
PREPARED BY RALPH H. BOWEN AIRPORT COMMISSION

DATE 4/1/55

BY

8892

Rec'd. 9-22-55



U.A.L. COVERED
WALKWAY SPACE
4,625 SQ. FT.

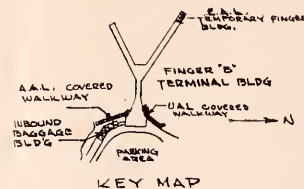


EXHIBIT 5

LEASE OF TERMINAL FACILITIES

- FINGER OPERATIONS SPACE
- AAL COVERED WALKWAY SPACE
- INBOUND BAGGAGE SPACE
- U.A.L. COVERED WALKWAY SPACE

O'HARE FIELD
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR

INBOUND BAGGAGE
BLDG, AAL, E.A.L. & U.A.L.
SPACE ASSIGNMENTS

PREPARED BY GILSON H. BURKE AIRPORT COMMUNITY

DATE 8-1-55

FILE NO.

8892

EXHIBIT 6 TO LEASE OF TERMINAL FACILITIES

HANGAR SITE LEASE

THIS LEASE, made and entered into this day of A.D. 19 , by and between the City of Chicago, a municipal corporation of the State of Illinois (hereinafter referred to as "City"), and , a corporation organized and existing under and by virtue of the laws of the State of (hereinafter referred to as "Airline"),

WITNESSETH:

WHEREAS, City owns and operates the Airport known as "O'Hare Field, Chicago International Airport," situated in the County of Cook and the County of DuPage, State of Illinois, with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided; and

WHEREAS, Airline is engaged in the business of air transportation and desires to lease certain premises and facilities in the permanent hangar site area at the Airport (a plat of said permanent hangar site area being attached hereto marked Exhibit A and made a part hereof, and said permanent hangar site area, together with any additions thereto or enlargements thereof, being hereinafter referred to as the "permanent hangar site area"), and to obtain certain rights and privileges with respect thereto and the Airport upon the terms and conditions hereinafter provided; and

WHEREAS, City is willing to lease to Airline such premises and facilities, and to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided;

Now, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

ARTICLE I

PREMISES

Section 1.01. Lease of premises. Use of demised premises. City does hereby demise, lease and grant to Airline, and Airline does hereby hire and take from City, the premises (hereinafter referred to as the "demised premises") at the Airport designated on said Exhibit A as Lots , and known and described as follows, to-wit:

(insert legal description)

together with the facilities, rights and privileges hereinafter described.

Airline is hereby granted the exclusive use of the demised premises, subject to the terms and provisions hereof, for any and all purposes reasonably necessary or convenient in connection with the conduct by Airline of air transportation, including, without limitation, the following:

(a) the repairing, maintenance, conditioning, testing, parking, moving and storage of aircraft and other equipment operated by Airline or by any other scheduled air transportation company;

(b) the loading and unloading of persons, property, cargo and mail upon or from aircraft operated by Airline or by any other scheduled air transportation company; provided, however, such loading and unloading shall not be so conducted as to constitute use of the demised premises as a substitute for normal passenger terminal area operations;

(c) the servicing of aircraft and other equipment operated by Airline or by any other scheduled air transportation company, with gasoline, oil, greases, lubricants and any other fuel or propellant, and with foods, beverages and other supplies and materials;

(d) the training of personnel in its employ or under its direction;

(e) the maintenance and operation of facilities and equipment for the storage, handling and dispensing of gasoline, oil, greases, lubricants and any other fuel or propellant, and other supplies and material;

(f) the maintenance and operation, subject to the approval of the Commissioner of Public Works with respect to compliance with applicable health and safety requirements, of a water storage tank or tanks and sewerage systems and related facilities and equipment, including the right to grant to others the use of the same under such conditions as Airline may prescribe;

(g) the maintenance and operation of communication, meteorological and aerial navigation facilities and equipment;

(h) the maintenance and operation of a private cafeteria, restaurant and other food and beverage preparing and dispensing facilities and equipment for the purpose of preparing and serving foods and beverages for consumption by Airline's employees and invitees and for consumption on aircraft operated by Airline or by any other scheduled air transportation company; provided, however, that nothing contained in this subparagraph (h) shall be deemed to give Airline the right to maintain or operate a public cafeteria, restaurant or other food and beverage preparing and dispensing facilities and equipment for the purpose of selling food or beverages to the public;

(i) the maintenance and operation of automobile parking areas for the parking of automobiles by Airline's employees and invitees;

(j) the maintenance and operation of reservations offices, administrative offices and operations offices;

(k) the sale, disposal or exchange of Airline's aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, other equipment or supplies, and any articles or goods used by or acquired for use by Airline in connection with its conduct of air transportation; provided, however, that Airline shall not sell any such items to others than its employees or scheduled air transportation operators, unless such items represent surplus items at the time no longer reasonably necessary in connection with the conduct by Airline of its air transportation business; and provided further, that Airline shall not sell gasoline, oil, greases, lubricants, fuel or propellants, except to a subsidiary or affiliated company or except when the same are of a particular grade desired by other scheduled air transportation companies and not otherwise available (except from other scheduled air transportation companies) at the Airport;

(l) the purchase or otherwise obtaining of property of any nature, reasonably necessary or convenient for its operations, from any supplier of its choice; and

(m) the maintenance and operation of buildings, improvements, facilities and equipment and the carrying on of activities reasonably necessary or convenient in connection with the foregoing;

provided, however, that the foregoing shall not permit the conduct by Airline of any business separate from its operation of an air transportation system; and further provided, that the rights conferred under this Article I may be exercised by Airline alone or in conjunction with other Airline Parties, directly or through another designated by it or them, excepting that the rights conferred by subparagraph (c) above to service aircraft and other equipment with gasoline, oil, greases, lubricants and other fuel or propellant may be exercised by Airline in conjunction with other Airline Parties, either directly or through another designated by them, only with respect to aircraft and other equipment operated by Airline Parties.

Section 1.02. Water reservoir area. City will, upon request of Airline, make an area (hereinafter called the "water reservoir area") at the Airport available for use by Airline for the purpose of installing, maintaining and operating a water reservoir and a water storage tank or tanks and related facilities and equipment in connection with sprinkler deluge systems on the demised premises and on other portions of the permanent hangar site area at the Airport. The water reservoir area shall be of adequate size for the foregoing purpose and at a location convenient to the permanent hangar site area and, if requested by Airline, so located as to take advantage of any available surface water supply, and Airline shall have the right to install, maintain and operate facilities and equipment on the Airport for the purpose of connecting the water reservoir area with (a) any available surface water supply, (b) the nearest available water line maintained by City at the Airport and (c) the demised premises, all at the most practical places and over the most practical routes available, and subject to such requirements, the water reservoir area and such connections shall be located on such areas as may be approved by the Commissioner of Public Works. Airline shall be entitled to use, for reservoir and storage purposes on the water reservoir area, such surface water and water supplied in such water line maintained by City, but in the case of water supplied in such water line maintained by City, Airline shall be required to pay City a reasonable charge, on a direct metered basis, for such water, and unless the Commissioner of Public Works shall otherwise consent, such water may be used for such reservoir and storage purposes only during off-peak water use hours. The water reservoir area shall also be available for use by other lessees of space in the permanent hangar site area at the Airport who shall agree to pay their just portion of the costs of installing, maintaining and operating the water reservoir area and related facilities and equipment and nothing contained herein shall require City to make available more than one water reservoir area for all lessees of space in the permanent hangar site area at the Airport. The rights and obligations of City and Airline with respect to the water reservoir area, and ingress to and egress from such area, shall be the same as if the water reservoir area were part of the demised premises, except that the use of the water reservoir area shall be limited to the foregoing purpose and no additional rental shall be payable by Airline for such area.

Section 1.03. Ingress and egress. Right to connect utilities. Subject to rules and regulations promulgated by City in accordance with Article VI hereof, Airline shall have the right and privilege over the Airport of ingress to and egress from the demised premises for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their aircraft, equipment, vehicles, machinery and other property, including the right to install, maintain and operate facilities and equipment on the Airport for the purpose of connecting the demised premises with utility lines at a point and over a route approved by the Commissioner of Public Works as being the most practical place and route available. Except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, for such right of ingress and egress, including such utility connections, or for the privilege of purchasing, selling or using any materials or services purchased or otherwise obtained by Airline, or transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's business or exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas, sightseeing facilities or ground transportation to or from the Airport furnished by City or its concessionaires, or preclude City from imposing any tax, permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder.

Section 1.04. Conduct of operations for other Airline Parties. The demised premises may also be used by Airline on behalf of or in conjunction with any other Airline Party or Parties in connection with the conduct of air transportation by such other Airline Party or Parties, to the same extent as Airline is entitled to use the demised premises in its own behalf in connection with its conduct of air transportation, and in such case the rights and privileges granted hereunder to Airline, its employees, agents, passengers, guests, patrons and invitees, and its or their suppliers of materials and furnishers of service shall, to the same extent, be granted to such other Airline Party's or Parties' employees, agents, passengers, guests, patrons and invitees, and its or their suppliers of materials and furnishers of service; provided, however, no such use shall be permitted, without the consent of the Commissioner of Public Works, if such use involves payment to Airline by any such other Airline

Party of an amount greater than Airline's estimated expenses with respect to the space, facilities and services used by or furnished to such other Airline Party.

ARTICLE II

TERM

The term of this Lease shall be for a period commencing on the date hereof and ending on the earlier of (a) thirty (30) years from the date hereof, or (b) October 31, 1987; provided, however, that Airline shall have the right to terminate this Lease on October 31, 1970, provided that Airline shall notify City of Airline's election to terminate not less than six months before such termination date.

ARTICLE III

RENTALS

Airline shall, on or before the first day of each calendar month during the term hereof, pay to City, at the office of the City Comptroller of City, a monthly rental of _____ Dollars (\$ _____), predicated on an annual rental of six and one-quarter cents ($6\frac{1}{4}\%$) per square foot of the demised premises; provided that Airline shall not be obligated to pay any rental to City for any period prior to the date when the facilities to be constructed by City as provided in Section 5.01 hereof have been substantially completed and are available for normal use.

Notwithstanding the foregoing, if any rental commences otherwise than as of the first day of any month or terminates prior to the last day of any month, rental for such month shall be determined on a pro rata basis according to the number of days of such month involved, and any required payment or refund for such month shall be made as promptly as practicable.

ARTICLE IV

CONSTRUCTION, MAINTENANCE AND REPAIR BY AIRLINE

Section 4.01. Construction, maintenance and repair by Airline. Airline may construct or install on the demised premises, at its own expense, any buildings, improvements (including pavements), facilities and equipment, and any additions thereto, reasonably necessary or convenient in connection with any use, permitted under the provisions of this Lease, by Airline of the demised premises. All such construction or installation shall be made after obtaining any requisite building or construction licenses or permits. Plans and specifications of any such proposed construction or installation (including any substantial alteration or addition thereto) shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement of construction or installation. Any advertising signs installed by Airline shall be limited to those which advertise air transportation, and the number, general type, size, design and location of such signs shall be subject to the approval of the Commissioner of Public Works.

Airline shall keep and maintain all buildings, improvements and facilities and additions thereto constructed or installed by it on the demised premises in good condition and repair, reasonable wear and tear and, subject to the provisions of Article VIII hereof, damage by flood, fire, earthquake, other casualty, act of God or the public enemy excepted. No restrictions shall be placed on Airline as to the architects, builders or contractors who may be employed by it in connection with any construction, installation, alteration, repair or maintenance of any such buildings, improvements, facilities and additions.

Notwithstanding the foregoing, Airline shall keep the demised premises and all construction and installations made thereon by Airline in a sanitary and sightly condition, and shall comply with all health and safety requirements applicable thereto.

All construction or installation by Airline, pursuant to any right granted to it hereunder, which is made on any area outside the demised premises shall be made, kept and maintained by Airline in the same manner and under the same conditions as construction or installation by Airline on the demised premises.

Section 4.02. Lighting. Airline shall illuminate the apron in front of each hangar building on the demised premises with flood lights and shall place and maintain at all times red obstruction lights on the highest point and on each corner of each building on the demised premises and on the highest point of each smoke stack, pole, aerial and antenna on the demised premises. The obstruction light fixtures shall be of a dual type and the lights shall be kept burning at Airline's expense from dusk to dawn and during periods of restricted visibility.

Section 4.03. Covenant against liens. Airline shall keep the demised premises and the buildings, improvements and facilities constructed thereon by Airline free and clear of any and all liens in any way arising out of the construction, improvement or use thereof by Airline; provided, however, that Airline may in good faith contest the validity of any lien.

Section 4.04. Performance by City upon failure of Airline to maintain. In the event Airline fails to perform for a period of thirty (30) days after notice from City so to do, any obligation required by this Article IV to be performed by Airline, City may enter the premises involved (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by Airline) and do all things necessary to perform such obligation, charging to Airline the cost and expense thereof and Airline agrees to pay City such charge in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public or of employees of City, and City so states in its notice to Airline, City may perform such obligation of Airline at any time after the giving of such notice and charge to Airline, and Airline shall pay, as aforesaid, the cost and expense of such performance.

ARTICLE V

CONSTRUCTION, MAINTENANCE OPERATION AND REPAIR BY CITY

Section 5.01. Facilities furnished by City. City shall construct and bring to the boundary of the demised premises at least a 12 inch water line and taxiways, truck roads and drainage ditches, which facilities shall be of the character and at substantially the locations on the Airport shown on said Exhibit A. Airline is granted the right and privilege to use such water line, taxiways, roads and ditches in common with others; provided, however, that Airline shall be required to pay to City a reasonable charge for direct metered water supplied by City through such water line.

Section 5.02. Maintenance and operation. City shall operate and maintain, in all respects in a manner consistent with that of a reasonably prudent operator of an airport and keep in good condition and repair (including the removal of snow, vegetation, stones and other foreign matter as reasonably as may be done, from taxiways and roads) all water lines, taxiways, roads, drainage ditches, additions, improvements, facilities and equipment now or hereafter provided by City, at or in connection with or serving the demised premises.

Section 5.03. Taxes on demised premises. City shall pay any and all taxes or special assessments which may be assessed upon the demised premises; provided, however, that the foregoing shall not apply to taxes on any property of Airline constructed, installed or located on the demised premises.

Section 5.04. Quiet enjoyment. City agrees that Airline, performing its obligations hereunder, shall be entitled to and shall have the quiet possession and enjoyment of the premises, rights and privileges leased to it hereunder, subject, however, to the provisions hereof.

Section 5.05. Performance by Airline upon failure of City to maintain and operate. In the event City fails to perform, for a period of thirty (30) days after notice from Airline so to do, any obligation required by this Article V to be performed by City, Airline may perform such obligation of City and deduct the cost to Airline of such performance from any amounts due hereunder or otherwise from Airline to City; provided, however, that if City's failure to perform any such obligation endangers the safety of Airline's operations at the Airport and Airline so states in its notice to City, Airline may perform such obligation of City at any time after the giving of such notice and deduct, as aforesaid, its cost of such performance. City, however, shall not be liable to Airline for any loss of revenues to Airline resulting from any of City's acts, omissions or neglect in the maintenance and operation by it of the Airport or any facilities now or hereafter connected therewith.

ARTICLE VI

RULES AND REGULATIONS

Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by City, which are reasonably required for the prudent and efficient operation of the Airport and are not inconsistent with the reasonable exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the Civil Aeronautics Administration or any other governmental authority having jurisdiction over operations at the Airport.

City shall keep Airline supplied with five sets of City's current Airport rules and regulations applicable to Airline. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given fifteen (15) days' notice of the adoption thereof.

City, however, shall have no control over the rates, fares or charges that Airline may prescribe in connection with its conduct of an air transportation business.

ARTICLE VII

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to Airline hereunder.

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to Airline to operate motor coaches, buses, taxicabs or other vehicles carrying passengers or property for hire or other consideration over the public ways to and from the Airport, nor to prevent Airline from operating ground motor transportation for its passengers and their baggage to and from the Airport, provided Airline has otherwise obtained all licenses, permits and authorizations required by law and shall pay to City any reasonable charges, fees and rentals which City from time to time imposes upon others engaged in furnishing similar services.

ARTICLE VIII

INDEMNITY AND INSURANCE

Airline agrees to indemnify City and keep in force insurance insuring Airline and City as provided in Article X of the Airport Use Agreement.

Airline shall, at its own expense, keep in force insurance upon buildings and improvements which are of a character customarily insured and which are at any time located on the demised premises or constructed or installed by Airline, pursuant to any right granted to it hereunder, on any area off the demised premises. Such insurance shall (a) be issued by a company or companies of sound and adequate financial responsibility, (b) name City and Airline as assureds thereunder as their respective interests may appear, (c) be in an amount equal to ninety per cent (90%) of the insurable value of such buildings and improvements, and (d) cover such hazards as are insured against by fire and extended coverage insurance of the character customarily in force at the time in the area of Chicago, Illinois, upon buildings and improvements of similar character, and such other hazards as would normally be insured against under similar circumstances by a reasonably prudent owner of such buildings and improvements. Airline shall furnish to City certificates evidencing such insurance.

Should any building or improvement located on the demised premises or constructed or installed by Airline, pursuant to any right granted to it hereunder, on any area off the demised premises, be damaged or destroyed and any insurance proceeds are payable by reason thereof, Airline shall, with due diligence, use such insurance proceeds for the repair of such damage or destruction in conformity, in so far as practicable, with the original plans and specifications of such damaged or destroyed building or improvement, subject to any modifications of such plans and specifications agreed to by the Commissioner of Public Works and Airline, it being understood, however, that Airline shall not be required to expend for such repair an amount in excess of such insurance proceeds paid. In the event the damage or destruction is not capable of being repaired within 120 days after the date thereof, either because of insufficiency of such insurance proceeds or otherwise, Airline may, by notice to City given within 60 days after such damage or destruction, elect not to repair the same and in such event, Airline shall cause such building or improvement to be demolished to the ground level and the debris removed, using any insurance proceeds for such purpose. Any insurance proceeds shall be made available to Airline for such repair or such demolition and removal. Any balance of such insurance proceeds, remaining after such repair or demolition and removal, shall be divided between City and Airline, and shall be made available to them, as their respective interests may appear. In the event Airline shall, in accordance with the foregoing provisions, give notice to City of Airline's election not to repair any damage or destruction not capable of being repaired as aforesaid, then Airline may at the same time and by further notice to City elect to terminate this Lease on the date of giving of such notice, which termination, however, shall not affect the rights and obligations of City and Airline under this paragraph.

ARTICLE IX

ACCESS BY CITY

Airline shall allow City, its officers, agents or employees free access to the demised premises for the purpose of examining the same to ascertain if Airline is performing its obligations hereunder with respect thereto.

ARTICLE X

ABATEMENT

In the event that City's operation of the Airport shall be restricted substantially by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I of the Airport Use Agreement, or otherwise, or by action of the State of Illinois, or any department or agency thereof, in such manner so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abatement of a just proportion of the rental provided for herein from the time of such notice until such restriction shall have been remedied and normal operations permitted.

If due to damage or destruction by flood, fire, earthquake, other casualty, act of God or the public enemy, not due to fault of Airline, any of the facilities to be furnished by City as provided in Section 5.01 hereof shall be rendered unusable to such an extent as to substantially impair the ability of Airline to conduct normal operations on the demised premises, the rental payable hereunder by Airline for the demised premises shall be paid up to the date of such damage or destruction, but, unless City shall promptly furnish temporary substitute facilities of an equivalent nature and expeditiously restore such facilities, so damaged or destroyed, such rental shall thereafter abate in an amount directly proportional to the extent Airline's ability to conduct normal operations on the demised premises is impaired by such damage or destruction; provided, however, that if City fails to repair such damage or destruction so that Airline's ability to conduct normal operations on the demised premises is substantially impaired for more than thirty (30) days, then Airline at its option may, by giving to City at least thirty (30) days' prior notice, terminate this Lease in its entirety. City shall not be liable to Airline for City's failure to furnish such temporary substitute facilities or, except to reimburse Airline as provided in Article V hereof, to expeditiously restore such facilities.

If due to damage or destruction by flood, fire, earthquake, other casualty, act of God or the public enemy affecting the Airport, Airline's use of the Airport in its conduct of an air transportation system shall be substantially affected, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abatement of a just proportion of the rentals provided for herein from the time of such notice until normal operations are permitted.

ARTICLE XI

TERMINATION BY CITY

City may terminate this Lease by giving Airline sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The filing by Airline of a voluntary petition in bankruptcy.
- (b) The institution of proceedings in bankruptcy against Airline and the final adjudication of Airline as a bankrupt pursuant to such proceedings.
- (c) The taking by a court of competent jurisdiction for a period of sixty (60) days of all or substantially all of Airline's assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- (d) The appointment of a receiver of all or substantially all of Airline's assets and Airline's failure to vacate such appointment within sixty (60) days thereafter.
- (e) The assignment by Airline of its assets for the benefit of its creditors.
- (f) The abandonment by Airline of its conduct of air transportation at the Airport.
- (g) The default by Airline in the performance of any covenant or agreement required to be performed by Airline herein and the failure of Airline to remedy such default for a period of sixty (60) days after receipt from City of notice to remedy the same; provided, however, that no notice of termination shall be of any force or effect if Airline shall have remedied the default prior to receipt of City's notice of termination.

No waiver by City of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

The acceptance by City of any payment by Airline hereunder for or during any period or periods after a default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Airline shall not be deemed a waiver of any right on the part of City to terminate this Lease for failure of Airline to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XII

RECOVERY OF POSSESSION BY CITY

If Airline shall vacate or abandon the demised premises or in case of the termination of this Lease, Airline's right to the possession of the demised premises shall terminate, with or without any further notice or demand whatsoever, and the mere retention of possession thereafter by Airline shall constitute a forcible detainer of said premises, and upon the termination of Airline's right of possession, as aforesaid, Airline agrees to surrender its possession of said premises immediately, without the receipt of any demand for rent, notice to quit or demand for possession of said premises whatsoever, and hereby grants to City full and free license to enter into and upon said premises, or any part thereof, to take possession thereof, as against Airline and others claiming through it, with or without process of law, and to expel and remove Airline and any other person claiming through it who may be occupying said premises, or any part thereof, and City may use such force in and about so expelling and removing Airline and said other person as may reasonably be necessary, and City may, as against Airline and others claiming through it, repossess itself of said premises as of its former estate, but said entry of said premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause forfeiture of rents due by virtue hereof, nor a waiver of any covenant, agreement or promise herein contained to be performed by Airline.

Airline hereby waives all notice of any election made by City under this Lease, demand for rent, notice to quit, demand for possession, and any and all notices and demands whatsoever of any and every nature which may or shall be required by any statute of this State relating to forcible entry and detainer, or to landlord and tenant, or any other statute, or by the common law during the terms of this Lease; provided, however, the foregoing shall not apply to any notice specifically required under the provisions of this Lease. The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by Airline or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of any right hereby given City, or as an election not to proceed under the provisions of this Lease.

The obligation of Airline to pay the rent reserved hereby shall not be deemed to be waived, released or terminated, by the service of any five-day notice, other notice to collect, demand for possession, or notice by City that the tenancy hereby created will be terminated on the date therein named, the institution of any action of forcible detainer or ejectment or any judgment for possession that may be rendered in such action, or any other act or acts, other than termination of this Lease, resulting in the termination of Airline's right to possession of the demised premises. City may collect and receive any rent due from Airline, and payment or receipt thereof shall not waive or affect any such notice, demand, suit or judgment or in any manner whatsoever waive, affect, change, modify or alter any rights or remedies which City may have by virtue hereof.

ARTICLE XIII

TERMINATION BY AIRLINE

Airline may terminate this Lease and any or all of its obligations hereunder at any time that Airline is not in default in the payment of any amount due from it to City hereunder by giving City sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

(a) The failure or refusal of the Civil Aeronautics Administration to approve all weather operations into and from the Airport of aircraft of any type using facilities similar to those at the Airport.

(b) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(c) The issuance of any order, rule or regulation or the taking of any action by the Civil Aeronautics Board or the Civil Aeronautics Administration or other competent governmental authority or the oc-

currence of any flood, fire, earthquake, other casualty, act of God or the public enemy, substantially affecting, for a period of at least sixty (60) days, Airline's use of the Airport in its conduct of an air transportation system; provided, however, that none of the foregoing is due to any fault of Airline.

(d) The default by City in the performance of any covenant or agreement required to be performed by City herein and the failure of City to remedy such default for a period of sixty (60) days after receipt from Airline of notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if City shall have remedied the default prior to receipt of Airline's notice of termination.

(e) The substantial restriction of City's operation of the Airport by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I of the Airport Use Agreement, or otherwise, or by action of the State of Illinois, or any department or agency thereof, and continuance thereof for a period of not less than sixty (60) days.

No waiver by Airline of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Airline's performance of all or any part of this Lease for or during any period or periods after default of any terms, covenants and conditions contained herein to be performed, kept and observed by City shall not be deemed a waiver of any right on the part of Airline to terminate this Lease for failure of City to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XIV

SURRENDER OF POSSESSION

Upon termination of this Lease, Airline shall surrender the demised premises, and the buildings and improvements situated thereon, in good condition and repair, reasonable wear and tear and, subject to the provisions of Article VIII hereof, damage by flood, fire, earthquake, other casualty, act of God or the public enemy excepted, and all such buildings and improvements shall be and become the property of City, excepting property removed by Airline in accordance with the provisions of Article XV hereof.

ARTICLE XV

RIGHT OF AIRLINE TO REMOVE PROPERTY

Airline shall be entitled during the term of this Lease, and for a reasonable time (not exceeding forty-five days) after its termination, to remove from the premises involved, or any part thereof, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it, subject, however, to any valid lien City may have thereon for unpaid rentals or other amounts, payable by Airline to City hereunder or under any other agreement between City and Airline relating to the Airport or any part thereof, and provided that Airline shall repair all damage resulting from such removal.

ARTICLE XVI

DEFINITIONS

The following terms, when used in this Lease, shall have the following meanings:

Section 16.01. Airport Use Agreement. "Airport Use Agreement" shall mean the agreement entitled "Airport Use Agreement," dated October 28, 1955, heretofore entered into between City and Airline.

Section 16.02. Airport; air transportation; Commissioner of Public Works; Civil Aeronautics Administration; and Civil Aeronautics Board. "Airport," "air transportation," "Commissioner of Public Works," "Civil Aeronautics Administration," and "Civil Aeronautics Board" have been defined in the Airport Use Agreement and such terms, when used in this Lease, shall have the same meanings as they have in the Airport Use Agreement.

Section 16.03. Airline Parties. "Airline Parties" has been defined in the Airport Use Agreement and, during the term of the Airport Use Agreement, shall have the same meaning, when used in this Lease, as it has in the Airport Use Agreement. After the termination of the Airport Use Agreement, "Airline Parties" shall mean at any time those air carriers then using the Airport who are either

(a) scheduled air carriers holding certificates of public convenience and necessity issued by the Civil Aeronautics Board,

(b) foreign air carriers holding foreign air carrier permits issued by the Civil Aeronautics Board, or

(c) air carriers holding certificates of convenience and necessity issued by the Illinois Commerce Commission (or any successor thereto).

ARTICLE XVII

MISCELLANEOUS

Section 17.01. Equality of treatment. No rights or privileges with respect to or rentals for premises leased for hangar purposes in the permanent hangar site area at the Airport shall be granted by City to any air transportation company in competition with Airline, which are more favorable to such company than those granted to Airline, and the effect of which is to place Airline at a competitive disadvantage.

Section 17.02. Consents and approvals of Commissioner of Public Works. Consents and approvals by the Commissioner of Public Works shall be in writing and shall not be unreasonably withheld and shall be deemed to have been given unless within thirty (30) days after receipt of written request from Airline for such consent or approval, the Commissioner of Public Works shall have given Airline a written reply refusing or withholding action on such consent or approval and stating valid reasons for such refusal or such withholding of action.

Section 17.03. Notices. All notices to City provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to the Commissioner of Public Works of the City of Chicago, City Hall, Chicago, Illinois, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline,

or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 17.04. Separability. In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either City or Airline in their respective rights and obligations contained in the valid covenants, conditions or provisions in this Lease.

Section 17.05. Subletting and assignment. Airline shall not sublet or assign this Lease or any of its rights hereunder, either in whole or in part, except with the prior consent of the Commissioner of Public Works; provided, however, that, without such consent, Airline may use all or any part of the demised premises on behalf of or in conjunction with any other Airline Party or Parties as herein permitted, and may assign this Lease and all of Airline's rights hereunder to any corporation into or with which it may merge or consolidate, or which may succeed to its business.

Section 17.06. Remedies cumulative. The rights and remedies hereunder are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

Section 17.07. Headings. The Article and Section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

Section 17.08. Successors and assigns. All of the covenants, stipulations and agreements herein contained shall, subject to the provisions of Section 17.05 hereof, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 17.09. Construction. This Lease shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois.

Section 17.10. Counterparts. This Lease has been executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and
has caused this instrument to be executed on its behalf by its _____ President
and its corporate seal to be hereunto affixed and attested by its _____ Secretary, pursuant to
due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

ATTEST:

By _____
Mayor

City Clerk

ATTEST:

By _____
President

Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss

I, _____, a Notary Public in and for said County in the State aforesaid,
do hereby certify that _____ and _____, personally known
to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago,
a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this
day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of
the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and
voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes
therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 19 ____.

Notary Public, Cook County, Illinois

My commission expires _____

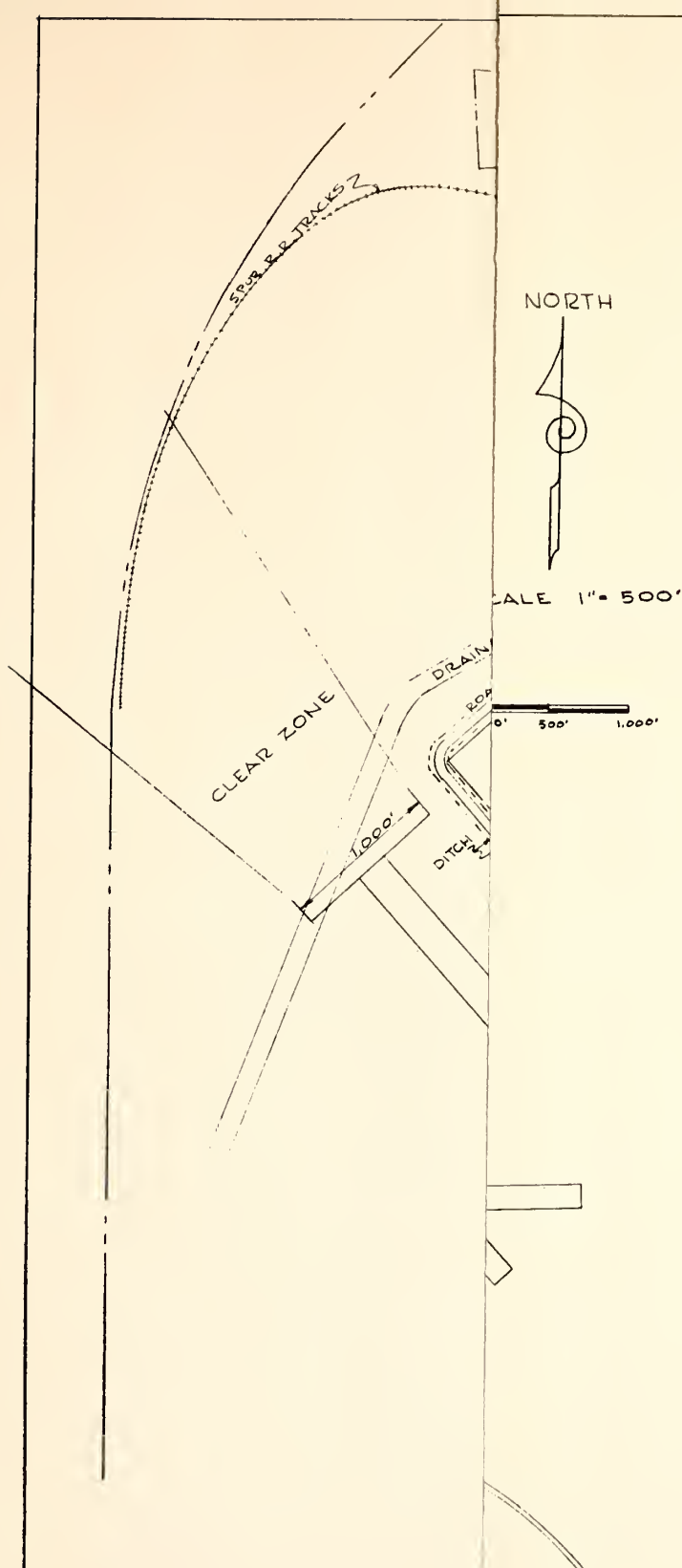
STATE OF _____ }
COUNTY OF _____ } ss

I, _____, a Notary Public in and for said County in the State aforesaid, do
hereby certify that _____ and _____, personally known
to me to be the same persons whose names are, respectively, as _____ President and
Secretary of _____, a corporation of the State of _____, subscribed
to the foregoing instrument, appeared before me this day in person and severally acknowledged that they,
being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as
the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes
therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 19 ____.

Notary Public

My commission expires _____



TE LEASE

HANGAR SITE AREA

O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J. DALEY, MAYOR	
AIRLINE SPACE ASSIGNMENT PERMANENT HANGAR SITE AREA	
W.A.S. 10/10/55 1" = 500'	8890

Ralph B. Burke 9-22-55



NORTH

SCALE 1" = 500'

0 100' 500' 1,000'

EXHIBIT "A" - HANGAR SITE LEASE



PERMANENT HANGAR SITE AREA

O'HARE FIELD
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR
AIRLINE SPACE ASSIGNMENT
PERMANENT HANGAR SITE
AREA

WAS 10/14/58
1" = 500'
Ralph B. Bunker 9-27-58 8890

(f) the maintenance and operation of communication, meteorological and aerial navigation facilities and equipment;

(g) the maintenance and operation of automobile parking areas for the parking of automobiles by Airline's employees and invitees;

(h) the maintenance and operation of reservations offices, administrative offices and operations offices;

(i) the sale, disposal or exchange of Airline's aircraft, engines, accessories, gasoline, oil, greases, lubricants, other fuel or propellant, other equipment or supplies, and any articles or goods used by or acquired for use by Airline in connection with its conduct of air transportation; provided, however, that Airline shall not sell any such items to others than its employees or scheduled air transportation operators, unless such items represent surplus items at the time no longer reasonably necessary in connection with the conduct by Airline of its air transportation business; and provided further, that Airline shall not sell gasoline, oil, greases, lubricants, fuel or propellants, except to a subsidiary or affiliated company or except when the same are of a particular grade desired by other scheduled air transportation companies and not otherwise available (except from other scheduled air transportation companies) at the Airport;

(j) the purchase or otherwise obtaining of property of any nature, reasonably necessary or convenient for its operations, from any supplier of its choice; and

(k) the maintenance and operation of buildings, improvements, facilities and equipment and the carrying on of activities reasonably necessary or convenient in connection with the foregoing;

provided, however, that the foregoing shall not permit the conduct by Airline of any business separate from its operation of an air transportation system; and further provided, that the rights conferred under this Article I may be exercised by Airline alone or in conjunction with other Airline Parties, directly or through another designated by it or them, excepting that the rights conferred by subparagraph (c) above to service aircraft and other equipment with gasoline, oil, greases, lubricants and other fuel or propellant may be exercised by Airline in conjunction with other Airline Parties, either directly or through another designated by them, only with respect to aircraft and other equipment operated by Airline Parties.

The exclusive use by Airline of the demised premises, however, is subject to the right and privilege of other lessees of premises in the temporary maintenance area to install, maintain, operate and use, in common with Airline, for the purpose of ingress to and egress from premises in the temporary maintenance area leased to them, a truck road on the temporary maintenance area at approximately the location shown on said Exhibit A.

Section 1.02. Use of adjacent ramp area. Airline, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of services shall have the right and privilege, subject to the foregoing and to rules and regulations promulgated by City in accordance with Article VI hereof and to the payment of fees and charges hereinafter provided, to use, in common with others authorized so to use, the concrete ramp area immediately adjacent to the temporary maintenance area for the purpose of carrying on operations and activities reasonably necessary or convenient to the use by Airline of the demised premises and of the Airport.

Section 1.03. Ingress and egress. Right to connect utilities. Subject to rules and regulations promulgated by City in accordance with Article VI hereof, Airline shall have the right and privilege over the Airport of ingress to and egress from the demised premises for its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their aircraft, equipment, vehicles, machinery and other property, including the right to install, maintain and operate facilities and equipment on the Airport for the purpose of connecting the demised premises with utility and sewer lines and truck roads at a point and over a route approved by the Commissioner of Public Works as being the most practical place and route available. Without limiting the generality of the foregoing, Airline is hereby granted the right and

privilege, in common with other lessees of premises in the temporary maintenance area, to install, maintain, operate and use for the purpose of such ingress and egress, a truck road on the temporary maintenance area at approximately the location shown on said Exhibit A. Except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, passengers, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, for such right of ingress and egress, including such utility, sewer and truck road connections, or for the privilege of purchasing, selling or using any materials or services purchased or otherwise obtained by Airline, or transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's business or exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas, sight-seeing facilities or ground transportation to or from the Airport furnished by City or its concessionaires, or preclude City from imposing any tax, permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder.

ARTICLE II

TERM

The term of this Lease shall be for a period commencing on the date hereof and ending on October 31, 1956, subject to renewal and to termination as hereinafter provided. Airline shall have the option, from time to time, to renew this Lease for a one (1) year term commencing November 1, 1956 and successive one (1) year terms thereafter, upon giving notice of its election so to renew to City at least thirty (30) days prior to the expiration of the then current term hereof; provided, however, that such right of renewal shall not continue beyond October 31, 1970, nor after such time as all the following conditions are met: (a) City shall determine that the demised premises are required for other purposes in connection with its development or operation of the Airport, (b) City has leased or offered to lease to Airline and to other Airline Parties then leasing premises in the temporary maintenance area, by a lease in the form of Exhibit 6 to the Lease of Terminal Facilities, at least an aggregate of one hundred and twenty five (125) acres in the permanent hangar site area substantially as designated on the plat attached to such Exhibit 6, which plat shows the general location, extent and character of said permanent hangar site area but is subject to modification as mutually agreed upon between Airline and City, (c) the facilities to be constructed by City as provided in Section 5.01 of such Exhibit 6 shall have been substantially completed and shall be available for normal use, and (d) Airline shall have had at least eighteen (18) months (plus such additional period of time as may be required for such construction due to causes beyond the control of Airline) to construct on such area leased or offered for lease to it, facilities necessary or convenient for the use thereof by Airline for hangar and related purposes; and further provided, that Airline shall have the right, at any time after Airline has constructed on such area such facilities for hangar and related purposes, if it so elects, to terminate this Lease by giving at least sixty (60) days' notice to City.

ARTICLE III

PAYMENT OF RENTAL

Commencing November 1, 1955, and thereafter during the term hereof, Airline shall pay to City for the demised premises a monthly rental of _____ Dollars (\$) predicated on an annual rental of ten cents (10¢) per square foot of paved area and six and one-quarter cents (6¼¢) per square foot of unpaved area. Airline shall, on or before the first day of each calendar month during the term hereof, pay to City rental due for such month for the demised premises, the payment of which shall be made at the office of the City Comptroller of City.

Notwithstanding the foregoing, if any rental commences otherwise than as of the first day of any month or terminates prior to the last day of any month, rental for such month shall be determined on a pro rata basis according to the number of days of such month involved, and any required payment or refund of rental for such month shall be made as promptly as practicable.

ARTICLE IV

CONSTRUCTION, MAINTENANCE AND REPAIR BY AIRLINE

Airline may construct, erect or install any buildings, structures, equipment, improvements (including pavements) and facilities and any additions thereto, reasonably necessary or convenient in connection with any use permitted under the provisions of this Lease, on all or any part of the demised premises and Airline shall have the additional right and privilege either individually or jointly with any other Airline Party or Parties to construct or install such utility and sewer lines and truck roads either located on or convenient to the premises leased hereunder as may be reasonably necessary or convenient to the use by Airline of the demised premises. All such construction, erection or installation shall be made without cost or expense to the City, and only after obtaining any requisite building or construction licenses or permits. Plans and specifications of any proposed construction or installation of improvements and facilities (including any substantial alteration or addition thereto) shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement of construction or installation. Any advertising signs installed by Airline shall be limited to those which advertise air transportation, and the number, general type, size, design and location of such signs shall be subject to the approval of the Commissioner of Public Works.

Airline shall keep and maintain all such improvements and facilities and additions thereto, constructed or installed by Airline on the demised premises in good condition and repair, reasonable wear and tear, and, subject to the provisions of Article VI hereof, damage by flood, fire, earthquake, other casualty, act of God or the public enemy excepted, and shall be responsible jointly with other Airline Party or Parties for the upkeep and maintenance of any utilities or roadway facilities jointly constructed or installed by them hereunder in the same manner and under the same conditions as the construction or installation on the demised premises.

Airline shall keep the demised premises in a sanitary and sightly condition.

No restrictions shall be placed upon Airline as to the architects, builders or contractors who may be employed by it in connection with any construction, installation, alteration, repair or maintenance of any such improvements, facilities and additions.

ARTICLE V

MAINTENANCE AND REPAIR BY CITY

City shall operate and maintain, in all respects in a manner consistent with that of a reasonably prudent operator of an airport, and keep in good condition and repair (including the removal of snow, vegetation, stones and other foreign matter as reasonably as may be done) and Airline is granted the right and privilege to use, in common with others, taxiways, the ramp area, a water line, a sewer line, drainage ditches, additions, improvements, facilities and equipment now or hereafter provided by City, at or in connection with or serving the temporary maintenance area. Airline, however, shall be required to pay to City a reasonable charge for water supplied by City through such water line. Nothing contained herein shall obligate City to provide, operate or maintain any connection between the demised premises and any water or sewer line.

ARTICLE VI

INCORPORATION BY REFERENCE

The following Sections and Articles of the Lease of Terminal Facilities and of Exhibit 6 thereto are hereby incorporated by this reference into this Lease and made a part hereof, and shall be applicable to the rights and privileges granted and to the premises demised to Airline by City under this Lease: Sections 1.07, 5.03, 5.04, 6.02, 6.03 and 6.05 and Articles VIII, IX, XI XII, XIV and XVIII of the Lease of Terminal Facilities and Articles VIII and XIV of Exhibit 6 to the Lease of Terminal Facilities.

ARTICLE VII

REMOVAL OF PROPERTY

Airline may during the term of this Lease remove from the demised premises, or any part thereof, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it. Upon the termination of this Lease, Airline shall remove from the demised premises, within a reasonable time (not to exceed 60 days) after such termination, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it and such other fixtures, buildings, structures, utilities and other improvements installed or constructed thereon by Airline, and restore the area to its former condition in so far as is practicable, as the Commissioner of Public Works may require.

ARTICLE VIII

DEFINITIONS

Airport; Airline Parties; air transportation; Commissioner of Public Works; Civil Aeronautics Administration; and Civil Aeronautics Board. "Airport," "Airline Parties," "air transportation," "Commissioner of Public Works," "Civil Aeronautics Administration," and "Civil Aeronautics Board" have been defined in the Airport Use Agreement and such terms, when used in this Lease, shall have the same meanings as they have in the Airport Use Agreement.

IN WITNESS WHEREOF, the City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago and _____ has caused this instrument to be executed on its behalf by its _____ President and its corporate seal to be hereunto affixed and attested by its _____ Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

ATTEST:

City Clerk

By _____
Mayor

ATTEST:

Secretary

By _____
President

STATE OF ILLINOIS }
COUNTY OF COOK }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that RICHARD J. DALEY and JOHN C. MARCIN, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public, Cook County, Illinois

My commission expires _____

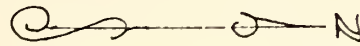
STATE OF _____ }
COUNTY OF _____ }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as _____ President and Secretary of _____, a corporation of the State of _____, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

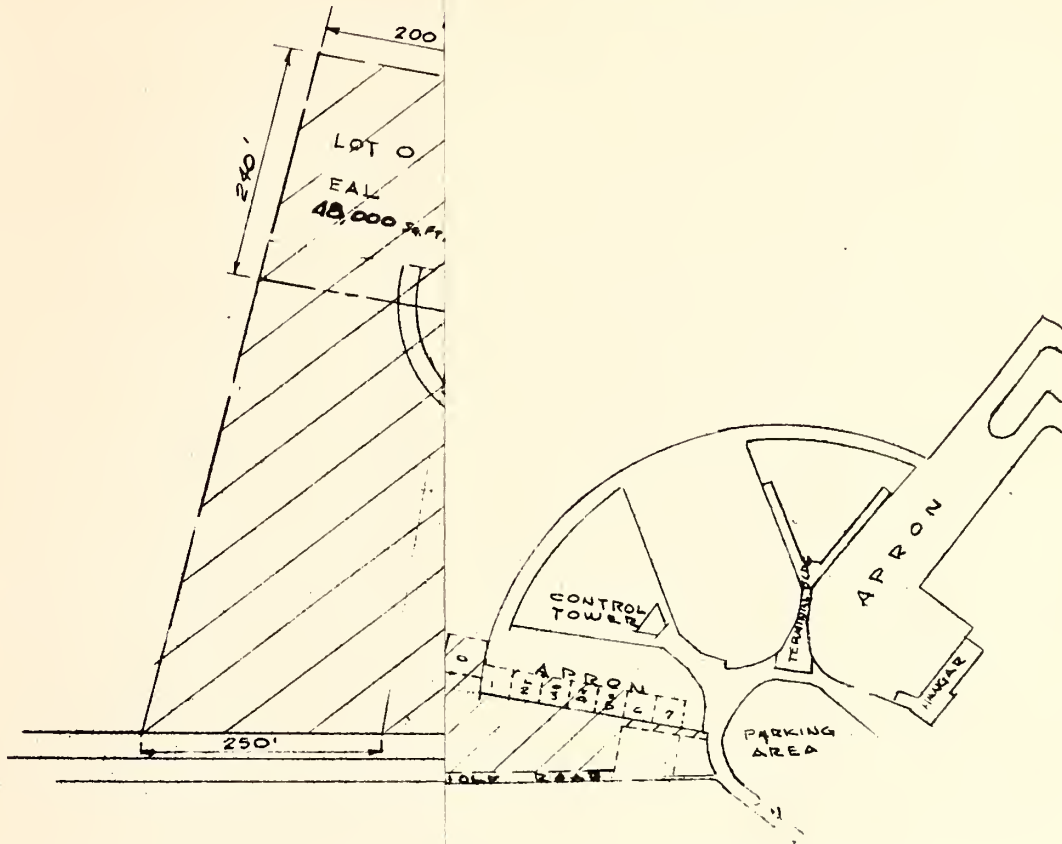
GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public

My commission expires _____



0 100 150 250
SCALE



KEY MAP

AREA
AREA

O'HARE FIELD
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR

AIRLINE SPACE ASSIGNMENT
TEMPORARY MAINTENANCE
AREA

PREPARED BY RALPH H. BURKE AIRPORT CONSULTANT

GPI 30/9/1955

Ralph H. Burke 9-22-55 8891

STATE OF ILLINOIS }
COUNTY OF COOK }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that RICHARD J. DALEY and JOHN C. MARCIN, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public, Cook County, Illinois

My commission expires _____

STATE OF _____ }
COUNTY OF _____ }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as _____ President and Secretary of _____, a corporation of the State of _____, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public

My commission expires _____

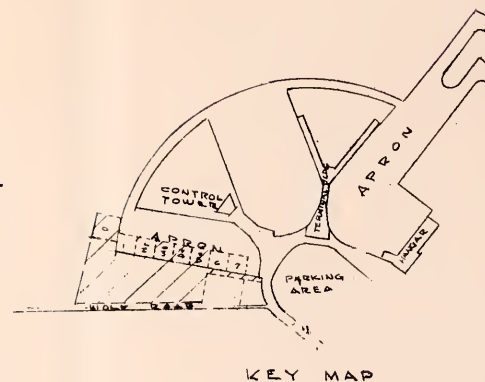
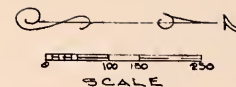
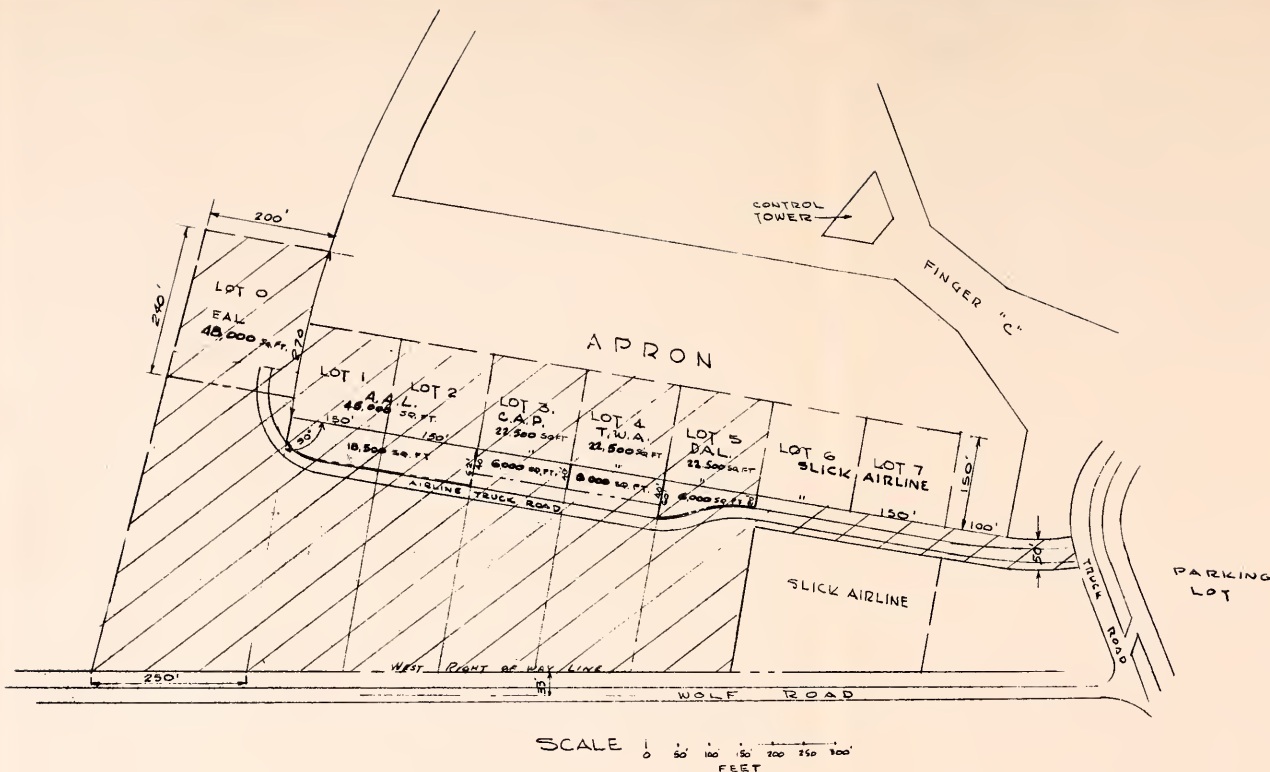


EXHIBIT A LEASE OF TEMPORARY MAINTENANCE AREA TEMPORARY MAINTENANCE AREA

O'HARE FIELD
CHICAGO INTERNATIONAL AIRPORT
CITY OF CHICAGO
RICHARD J. DALEY, MAYOR

AIRLINE SPACE ASSIGNMENT
TEMPORARY MAINTENANCE
AREA

PREPARED BY RALPH H. BURKE AIRPORT CONSULTANT

GPI 449074/1955

Ralph H. Burke, 9-2-55 8891



AIR CARGO BUILDING SITE LEASE

THIS LEASE made and entered into this 28th day of October, 1955, by and between the City of Chicago, a municipal corporation of the State of Illinois (hereinafter referred to as "City"), and American Airlines, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware (hereinafter referred to as "Airline"),

WITNESSETH:

WHEREAS, City owns and operates the Airport known as "O'Hare Field, Chicago International Airport" situated in the County of Cook and the County of Du Page, State of Illinois, with the power to grant rights and privileges with respect thereto as hereinafter provided; and

WHEREAS, City and Airline contemporaneously herewith have entered into certain agreements with respect to the Airport, of even date herewith, entitled and hereinafter referred to as the "Airport Use Agreement" and "Lease of Terminal Facilities"; and

WHEREAS, Airline desires to lease certain premises at the Airport for use by Airline and other Airline Parties for air cargo purposes, and City is willing to lease to Airline such premises upon the terms and conditions hereinafter provided;

Now, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

ARTICLE I

PREMISES

Section 1.01. Lease of premises. City does hereby demise, lease and grant to Airline, and Airline does hereby hire and take from City, the premises at the Airport shown as shaded area on Exhibit A attached hereto and made a part hereof and designated thereon as Air Cargo Site (hereinafter referred to as the "demised premises") and more particularly described as follows:

A parcel of land in Section 8, Township 40 North, Range 12, East of the Third Principal Meridian in Cook County, Illinois, described as follows: Beginning at a point 20,077.83 feet east and 20,751.98 feet south of a basic reference point, said basic reference point being located 10,001.53 feet west and 10,003.12 feet north of a plate located at the northwest corner of Section 36, Township 41 North, Range 11, East of the Third Principal Meridian; thence southeasterly 469.75 feet to a point 20,439.25 feet east and 21,052.04 feet south of said basic reference point; thence southwesterly 172.0 feet to a point 20,329.39 feet east and 21,184.37 feet south of said basic reference point; thence northwesterly 469.75 feet to a point 19,967.99 feet east and 20,884.31 feet south of said basic reference point; thence northeasterly 172.0 feet to the point of beginning;

together with the facilities, rights and privileges hereinafter described.

Section 1.02. Use of premises. Airline, together with others so authorized by Airline, shall have the exclusive right to use the demised premises for (a) receiving, delivering, dispatching, processing, handling and storing air cargo, express, mail and other property; (b) maintaining and operating buildings, improvements, facilities and equipment and carrying on activities reasonably necessary or convenient in connection with the foregoing; and (c) subject to the approval of the Commissioner of Public Works, carrying on other operations and activities reasonably necessary or convenient to the conduct of air transportation.

Section 1.03. Adjacent and related areas. Airline, together with others so authorized by Airline, shall have the right and privilege to use, in common with others authorized by City to use, for the purpose of carrying on operations and activities reasonably necessary or convenient to the use of the demised premises, any taxiways and ramp areas which may hereafter be provided by City adjacent to or serving the demised premises. Such

use, however, shall be subject to the payment of fees and charges provided in the Airport Use Agreement and to rules and regulations promulgated by City in accordance with Article VIII hereof. It is understood that City presently contemplates permitting the use of the area designated on such Exhibit A as "Future Cargo Area" only for purposes substantially similar to those for which the demised premises may be used and City intends, that when funds are available therefor, City will construct cargo ramp areas adjacent to the demised premises and to such Future Cargo Area and taxiways serving such cargo ramp areas substantially of the character and at the locations shown on said Exhibit A.

ARTICLE II

TERM

The term of this Lease shall be for a period commencing on the date hereof and ending on October 31, 1970.

ARTICLE III

RENTALS

Airline shall, on or before the first day of each calendar month, commencing November 1, 1955, during the term hereof, pay to City, at the office of the City Comptroller of City, a monthly rental of Six Hundred and Seventy Three Dollars (\$673); provided that Airline shall not be obligated to pay any rental to City for any period prior to the date when the facilities to be constructed by City, as provided in Section 5.01 hereof, have been substantially completed and are available for normal use.

Notwithstanding the foregoing, if any rental commences otherwise than as of the first day of any month or terminates prior to the last day of any month, rental for such month shall be determined on a pro rata basis according to the number of days of such month involved, and any required payment or refund for such month shall be made as promptly as practicable.

ARTICLE IV

CONSTRUCTION, MAINTENANCE AND REPAIR BY AIRLINE

Section 4.01. Construction, maintenance and repair of Airline's improvements. Airline at its own expense may construct and install on the demised premises an air cargo building and any other buildings, improvements (including pavements), facilities and equipment, including vehicle loading ramps, and any additions thereto, reasonably necessary or convenient in connection with any use, permitted under the provisions of this Lease, of the demised premises, subject, however, to the limits of building lines indicated on said Exhibit A. All such construction or installation shall be made after obtaining any requisite building or construction licenses or permits. Plans and specifications of any such proposed construction or installation (including any substantial alteration or addition thereto) shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement of construction or installation. Any advertising signs installed by Airline or other occupants of any building on the demised premises shall be limited to those which advertise air transportation (including air cargo transportation) and the number, general type, size, design and location of such signs shall be subject to the approval of the Commissioner of Public Works.

Airline shall keep and maintain all buildings, improvements, facilities and additions thereto constructed or installed by it on the demised premises in good condition and repair, reasonable wear and tear, and, subject to the provisions of Article X hereof, damage by flood, fire, earthquake, other casualty, act of God or the public enemy excepted. No restriction shall be placed upon Airline as to the architects, builders, or contractors who may be employed by it in connection with any construction, installation, alteration, repair or maintenance of any such buildings, improvements, facilities and additions.

Section 4.02. Covenant against liens. Airline shall keep the demised premises and the buildings, improvements and facilities constructed thereon by Airline free and clear of any and all liens in any way arising out of the construction, improvement or use thereof by Airline; provided, however, that Airline may in good faith contest the validity of any lien.

Section 4.03. Performance by City upon failure of Airline to maintain. In the event Airline fails to perform for a period of thirty (30) days after notice from City so to do, any obligation required by this Article IV to be performed by Airline, City may enter the premises involved (without such entering causing or constituting a termination of this Lease or an interference with the possession of said premises by Airline) and do all things necessary to perform such obligation, charging to Airline the cost and expense thereof and Airline agrees to pay City such charge in addition to any other amounts payable by Airline hereunder; provided, however, that if Airline's failure to perform any such obligation endangers the safety of the public or of employees of City, and City so states in its notice to Airline, City may perform such obligation of Airline at any time after the giving of such notice and charge to Airline, and Airline shall pay, as aforesaid, the cost and expense of such performance.

ARTICLE V

CONSTRUCTION, MAINTENANCE

OPERATION AND REPAIR BY CITY

Section 5.01. Facilities furnished by City. City shall, with reasonable dispatch and when funds are available therefor, construct and bring to the boundary of the demised premises, truck roads and water and sewerage lines, which roads shall be at substantially the locations on the Airport shown on said Exhibit A. Airline is granted the right and privilege to use such roads and water and sewerage lines in common with others; provided, however, that Airline shall be required to pay City a reasonable charge for water supplied by City.

Section 5.02. Maintenance and operation. City shall operate and maintain, in all respects in a manner consistent with that of a reasonably prudent operator of an airport and keep in good condition and repair (including the removal of snow, vegetation, stones and other foreign matter as reasonably as may be done, from taxiways, ramp areas and roads) all taxiways, ramp areas, roads, utility lines, additions, improvements, facilities and equipment now or hereafter provided by City, at or in connection with or serving the demised premises.

Section 5.03. Taxes on demised premises. City shall pay any and all taxes or special assessments which may be assessed upon the demised premises; provided, however, that the foregoing shall not apply to taxes on any property of Airline constructed, installed or located on the demised premises.

Section 5.04. Quiet enjoyment. City agrees that Airline, performing its obligations hereunder, shall be entitled to and shall have the quiet possession and enjoyment of the premises, rights and privileges leased to it hereunder, subject, however, to the provisions hereof.

Section 5.05. Performance by Airline upon failure of City to maintain and operate. In the event City fails to perform, for a period of thirty (30) days after notice from Airline so to do, any obligation required by this Article V to be performed by City, Airline may perform such obligation of City and deduct the cost to Airline of such performance from any amounts due hereunder or otherwise from Airline to City; provided, however, that if City's failure to perform any such obligation endangers the safety of Airline's operations at the Airport and Airline so states in its notice to City, Airline may perform such obligation of City at any time after the giving of such notice and deduct, as aforesaid, its cost of such performance. City, however, shall not be liable to Airline for any loss of revenues to Airline resulting from any of City's acts, omissions or neglect in the maintenance and operation by it of the Airport or any facilities now or hereafter connected therewith.

ARTICLE VI

ASSIGNMENT AND SUBLETTING

Section 6.01. Assignment by Airline. Airline shall not assign this Lease or any of its rights hereunder either in whole or in part except with the prior consent of the Commissioner of Public Works. It is understood, however, that Airline upon completion of certain proposed improvements intends to assign this Lease to United Air Lines, Inc., or to another Airline Party, who will thereafter act as custodian lessee of the demised premises on behalf of itself and others authorized to use the demised premises or any part thereof. Accordingly, notwithstanding the foregoing, Airline may, without such consent, assign this Lease at any time to United Air Lines, Inc., or to any other Airline Party, and in the event of such assignment, notice of which the assigning Airline shall give City concurrently therewith, the assigning Airline shall thereupon be relieved and discharged of any and all obligations thereafter arising hereunder; provided, however, that concurrently with such assignment the assigning Airline shall obtain and deliver to City an appropriate assumption by such assignee of Airline's obligations hereunder. Notwithstanding the foregoing, Airline may also, without such consent, assign this Lease to any corporation into or with which it may merge or consolidate, or which may succeed to its business.

Section 6.02. Subletting. Airline shall not sublet the demised premises or any part thereof except with the prior consent of the Commissioner of Public Works. It is understood, however, that the demised premises or portions thereof may be used by various Airline Parties, the Railway Express Agency, the United States Government and agencies thereof in connection with the conduct of air cargo and express and mail operations at the Airport. Accordingly, notwithstanding the foregoing, Airline may sublease the demised premises or any part thereof to, or permit the use of the demised premises or any part thereof by, any Airline Party, the Railway Express Agency and the United States Government or any agency thereof and except as may be otherwise prescribed by Airline, any such Airline Party, the Railway Express Agency or the United States Government or any agency thereof to whom the demised premises or any part thereof may be subleased, or who is permitted by Airline to use the demised premises or any part thereof, shall have all rights, privileges and immunities of Airline hereunder.

ARTICLE VII

INGRESS AND EGRESS

Subject to rules and regulations promulgated by City in accordance with Article VIII hereof, Airline shall have the right and privilege over the Airport of ingress to and egress from the demised premises for its employees, agents, passengers, customers, shippers, and invitees (including, without limitation, consignees of property shipped), its or their suppliers of materials and furnishers of service, and its or their aircraft, equipment, vehicles, machinery and other property. Except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents, passengers, customers, shippers and invitees, or its or their suppliers of materials and furnishers of service, for such right of ingress and egress, or for the privilege of purchasing, selling or using any materials or services purchased or otherwise obtained by Airline, or transporting, loading, unloading or handling persons, property, cargo, or mail in connection with Airline's business or exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas, sightseeing facilities or ground transportation to or from the Airport furnished by City or its concessionaires, or preclude City from imposing any tax, permit or license fee not inconsistent with the rights and privileges granted hereunder.

ARTICLE VIII

RULES AND REGULATIONS

Airline shall observe and obey all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by City, which are reasonably required for the prudent and efficient operation

of the Airport and are not inconsistent with the reasonable exercise by Airline of any right or privilege granted to it hereunder or under any other agreement between Airline and City relating to the Airport or any part thereof, nor inconsistent with safety nor with the rules and regulations of any Federal or State agency having jurisdiction with respect thereto, nor inconsistent with the procedures prescribed or approved from time to time by the Civil Aeronautics Administration or any other governmental authority having jurisdiction over operations at the Airport.

City shall keep Airline supplied with five sets of City's current Airport rules and regulations applicable to Airline. Except in cases of emergency, no such rule or regulation shall be applicable to Airline unless it has been given fifteen (15) days' notice of the adoption thereof.

City, however, shall have no control over the rates, fares or charges that Airline may prescribe in connection with its conduct of an air transportation business.

ARTICLE IX

EXERCISE BY CITY OF GOVERNMENTAL FUNCTIONS

Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges granted to Airline hereunder.

Nothing contained herein shall be deemed to be the grant of any franchise, license, permit or consent to Airline to operate vehicles carrying property for hire or other consideration over the public ways to and from the Airport.

ARTICLE X

INDEMNITY AND INSURANCE

Airline agrees to indemnify City and keep in force insurance insuring Airline and City as provided in Article X of the Airport Use Agreement.

Airline shall, at its own expense, keep in force insurance upon buildings and improvements which are of a character customarily insured and which are at any time located on the demised premises. Such insurance shall (a) be issued by a company or companies of sound and adequate financial responsibility, (b) name City and Airline as assureds thereunder as their respective interests may appear, (c) be in an amount equal to ninety per cent (90%) of the insurable value of such buildings and improvements, and (d) cover such hazards as are insured against by fire and extended coverage insurance of the character customarily in force at the time in the area of Chicago, Illinois, upon buildings and improvements of similar character, and such other hazards as would normally be insured against under similar circumstances by a reasonably prudent owner of such buildings and improvements. Airline shall furnish to City certificates evidencing such insurance.

Should any building or improvement located on the demised premises be damaged or destroyed and any insurance proceeds are payable by reason thereof, Airline shall, with due diligence, use such insurance proceeds for the repair of such damage or destruction in conformity, in so far as practicable, with the original plans and specifications of such damaged or destroyed building or improvement, subject to any modifications of such plans and specifications agreed to by the Commissioner of Public Works and Airline, it being understood, however, that Airline shall not be required to expend for such repair an amount in excess of such insurance proceeds paid. In the event the damage or destruction is not capable of being repaired within 120 days after the date thereof, either because of insufficiency of such insurance proceeds or otherwise, Airline may, by notice to City given within 60 days after such damage or destruction, elect not to repair the same and in such event, Airline shall cause such building or improvement to be demolished to the ground level and the debris removed, using any

insurance proceeds for such purpose. Any insurance proceeds shall be made available to Airline for such repair or such demolition and removal. Any balance of such insurance proceeds, remaining after such repair or demolition and removal, shall be divided between City and Airline, and shall be made available to them, as their respective interests may appear. In the event Airline shall, in accordance with the foregoing provisions, give notice to City of Airline's election not to repair any damage or destruction not capable of being repaired as aforesaid, then Airline may at the same time and by further notice to City elect to terminate this Lease on the date of giving of such notice, which termination, however, shall not affect the rights and obligations of City and Airline under this paragraph.

ARTICLE XI

ACCESS BY CITY

Airline shall allow City, its officers, agents or employees free access to the demised premises for the purpose of examining the same to ascertain if Airline is performing its obligations hereunder with respect thereto.

ARTICLE XII

ABATEMENT

In the event that City's operation of the Airport shall be restricted substantially by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I of the Airport Use Agreement, or otherwise, or by action of the State of Illinois, or any department or agency thereof, in such manner so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abatement of a just proportion of the rental provided for herein from the time of such notice until such restriction shall have been remedied and normal operations permitted.

If due to damage or destruction by flood, fire, earthquake, other casualty, act of God or the public enemy, not due to fault of Airline, any of the facilities to be furnished by City as provided in Section 5.01 hereof shall be rendered unusable to such an extent as to substantially impair the ability of Airline to conduct normal operations on the demised premises, the rental payable hereunder by Airline for the demised premises shall be paid up to the date of such damage or destruction, but, unless City shall promptly furnish temporary substitute facilities of an equivalent nature and expeditiously restore such facilities, so damaged or destroyed, such rental shall thereafter abate in an amount directly proportional to the extent Airline's ability to conduct normal operations on the demised premises is impaired by such damage or destruction; provided, however, that if City fails to repair such damage or destruction so that Airline's ability to conduct normal operations on the demised premises is substantially impaired for more than thirty (30) days, then Airline at its option may, by giving to City at least thirty (30) days' prior notice, terminate this Lease in its entirety. City shall not be liable to Airline for City's failure to furnish such temporary substitute facilities or, except to reimburse Airline as provided in Article V, to expeditiously restore such facilities.

If due to damage or destruction by flood, fire, earthquake, other casualty, act of God or the public enemy affecting the Airport, Airline's use of the Airport in its conduct of an air transportation system shall be substantially affected, then, without any prejudice to any right of termination hereunder, Airline shall have the right, upon notice to City, to the abatement of a just proportion of the rentals provided for herein from the time of such notice until normal operations are permitted.

ARTICLE XIII

TERMINATION BY CITY

City may terminate this Lease by giving Airline sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The filing by Airline of a voluntary petition in bankruptcy.
- (b) The institution of proceedings in bankruptcy against Airline and the final adjudication of Airline as a bankrupt pursuant to such proceedings.
- (c) The taking by a court of competent jurisdiction for a period of sixty (60) days of all or substantially all of Airline's assets pursuant to proceedings brought under the provisions of any Federal reorganization act.
- (d) The appointment of a receiver of all or substantially all of Airline's assets and Airline's failure to vacate such appointment within sixty (60) days thereafter.
- (e) The assignment by Airline of its assets for the benefit of its creditors.
- (f) The abandonment by Airline of its conduct of air transportation at the Airport.
- (g) The default by Airline in the performance of any covenant or agreement required to be performed by Airline herein and the failure of Airline to remedy such default for a period of sixty (60) days after receipt from City of notice to remedy the same; provided, however, that no notice of termination shall be of any force or effect if Airline shall have remedied the default prior to receipt of City's notice of termination.

No waiver by City of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by Airline shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

The acceptance by City of any payment by Airline hereunder for or during any period or periods after a default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Airline shall not be deemed a waiver of any right on the part of City to terminate this Lease for failure of Airline to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XIV

RECOVERY OF POSSESSION BY CITY

If Airline shall vacate or abandon the demised premises or in case of the termination of this Lease, Airline's right to the possession of the demised premises shall terminate, with or without any further notice or demand whatsoever, and the mere retention of possession thereafter by Airline shall constitute a forcible detainer of said premises, and upon the termination of Airline's right of possession, as aforesaid, Airline agrees to surrender its possession of said premises immediately, without the receipt of any demand for rent, notice to quit or demand for possession of said premises whatsoever, and hereby grants to City full and free license to enter into and upon said premises, or any part thereof, to take possession thereof, as against Airline and others claiming through it, with or without process of law, and to expel and remove Airline and any other person claiming through it who may be occupying said premises, or any part thereof, and City may use such force in and about so expelling and removing Airline and said other person as may reasonably be necessary, and City may, as against Airline and others claiming through it, repossess itself of said premises as of its former estate, but said entry of said premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause forfeiture of rents due by virtue hereof, nor a waiver of any covenant, agreement or promise herein contained to be performed by Airline.

Airline hereby waives all notice of any election made by City under this Lease, demand for rent, notice to quit, demand for possession, and any and all notices and demands whatsoever of any and every nature which may or shall be required by any statute of this State relating to forcible entry and detainer, or to landlord and tenant, or any other statute, or by the common law during the terms of this Lease; provided, however, the foregoing shall not apply to any notice specifically required under the provisions of this Lease. The acceptance of rent, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereof by

Airline or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express written waiver, shall not be construed as a waiver of any right hereby given City, or as an election not to proceed under the provisions of this Lease.

The obligation of Airline to pay the rent reserved hereby shall not be deemed to be waived, released or terminated, by the service of any five-day notice, other notice to collect, demand for possession, or notice by City that the tenancy hereby created will be terminated on the date therein named, the institution of any action of forcible detainer or ejectment or any judgment for possession that may be rendered in such action, or any other act or acts, other than termination of this Lease, resulting in the termination of Airline's right to possession of the demised premises. City may collect and receive any rent due from Airline, and payment or receipt thereof shall not waive or affect any such notice, demand, suit or judgment or in any manner whatsoever waive, affect, change, modify or alter any rights or remedies which City may have by virtue hereof.

ARTICLE XV

TERMINATION BY AIRLINE

Airline may terminate this Lease and any or all of its obligations hereunder at any time that Airline is not in default in the payment of any amount due from it to City hereunder by giving City sixty (60) days' advance notice upon or after the happening and during the continuance of any one of the following events:

(a) The failure or refusal of the Civil Aeronautics Administration to approve all weather operations into and from the Airport of aircraft of any type using facilities similar to those at the Airport.

(b) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in its conduct of an air transportation system and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least sixty (60) days.

(c) The issuance of any order, rule or regulation or the taking of any action by the Civil Aeronautics Board or the Civil Aeronautics Administration or other competent governmental authority or the occurrence of any flood, fire, earthquake, other casualty, act of God or the public enemy, substantially affecting, for a period of at least sixty (60) days, Airline's use of the Airport in its conduct of an air transportation system; provided, however, that none of the foregoing is due to any fault of Airline.

(d) The default by City in the performance of any covenant or agreement required to be performed by City herein and the failure of City to remedy such default for a period of sixty (60) days after receipt from Airline of notice to remedy the same; provided, however, that no notice of termination, as above provided, shall be of any force or effect if City shall have remedied the default prior to receipt of Airline's notice of termination.

(e) The substantial restriction of City's operation of the Airport by action of the Federal Government, or any department or agency thereof, under its wartime or emergency powers, or by reason of the rights and interests reserved in the quitclaim deed referred to in Article I of the Airport Use Agreement, or otherwise, or by action of the State of Illinois, or any department or agency thereof, and continuance thereof for a period of not less than sixty (60) days.

No waiver by Airline of default of any of the terms, covenants or conditions hereof to be performed, kept and observed by City shall be construed to be or act as a waiver of any subsequent default of any of such terms, covenants and conditions.

Airline's performance of all or any part of this Lease for or during any period or periods after default of any terms, covenants and conditions contained herein to be performed, kept and observed by City shall not be deemed a waiver of any right on the part of Airline to terminate this Lease for failure of City to so perform, keep or observe any of such terms, covenants or conditions.

ARTICLE XVI

SURRENDER OF POSSESSION

Upon termination of this Lease, Airline shall surrender the demised premises, and the buildings and improvements situated thereon, in good condition and repair, reasonable wear and tear and, subject to the provisions of Article X hereof, damage by flood, fire, earthquake, other casualty, act of God or the public enemy excepted, and all such buildings and improvements shall be and become the property of City, excepting property removed by Airline in accordance with the provisions of Article XVII hereof.

ARTICLE XVII

RIGHT OF AIRLINE TO REMOVE PROPERTY

Airline shall be entitled during the term of this Lease, and for a reasonable time (not exceeding forty-five days) after its termination, to remove from the premises involved, or any part thereof, all trade fixtures, tools, machinery, equipment, materials and supplies placed thereon by it, subject, however, to any valid lien City may have thereon for unpaid rentals or other amounts, payable by Airline to City hereunder or under any other agreement between City and Airline relating to the Airport or any part thereof, and provided that Airline shall repair all damage resulting from such removal.

ARTICLE XVIII

DEFINITIONS

Airport; Airline Parties; air transportation; Commissioner of Public Works; Civil Aeronautics Administration; and Civil Aeronautics Board. "Airport," "Airline Parties," "air transportation," "Commissioner of Public Works," "Civil Aeronautics Administration," and "Civil Aeronautics Board" have been defined in the Airport Use Agreement and such terms, when used in this Lease, shall have the same meanings as they have in the Airport Use Agreement.

ARTICLE XIX

MISCELLANEOUS

Section 19.01. Consents and approvals of Commissioner of Public Works. Consents and approvals by the Commissioner of Public Works shall be in writing and shall not be unreasonably withheld and shall be deemed to have been given unless within thirty (30) days after receipt of written request from Airline for such consent or approval, the Commissioner of Public Works shall have given Airline a written reply refusing or withholding action on such consent or approval and stating valid reasons for such refusal or such withholding of action.

Section 19.02. Notices. All notices to City provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to the Commissioner of Public Works of the City of Chicago, City Hall, Chicago, Illinois, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline, 100 Park Avenue, New York 17, N.Y., or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 19.03. Separability. In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the

invalidity of any such covenant, condition or provision does not materially prejudice either City or Airline in their respective rights and obligations contained in the valid covenants, conditions or provisions in this Lease.

Section 19.04. Remedies cumulative. The rights and remedies hereunder are cumulative and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

Section 19.05. Headings. The Article and Section headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Lease.

Section 19.06. Successors and assigns. All of the covenants, stipulations and agreements herein contained shall, subject to the provisions of Article VI hereof, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 19.07. Construction. This Lease shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois.

Section 19.08. Counterparts. This Lease has been executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and American Airlines, Inc. has caused this instrument to be executed on its behalf by its Vice President and its corporate seal to be hereunto affixed and attested by its Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

By _____
Mayor

ATTEST:

City Clerk

AMERICAN AIRLINES, INC.

By _____
Vice President

ATTEST:

Secretary

STATE OF ILLINOIS }
COUNTY OF COOK } ss

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that RICHARD J. DALEY and JOHN C. MARCIN, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public, Cook County, Illinois

My commission expires _____

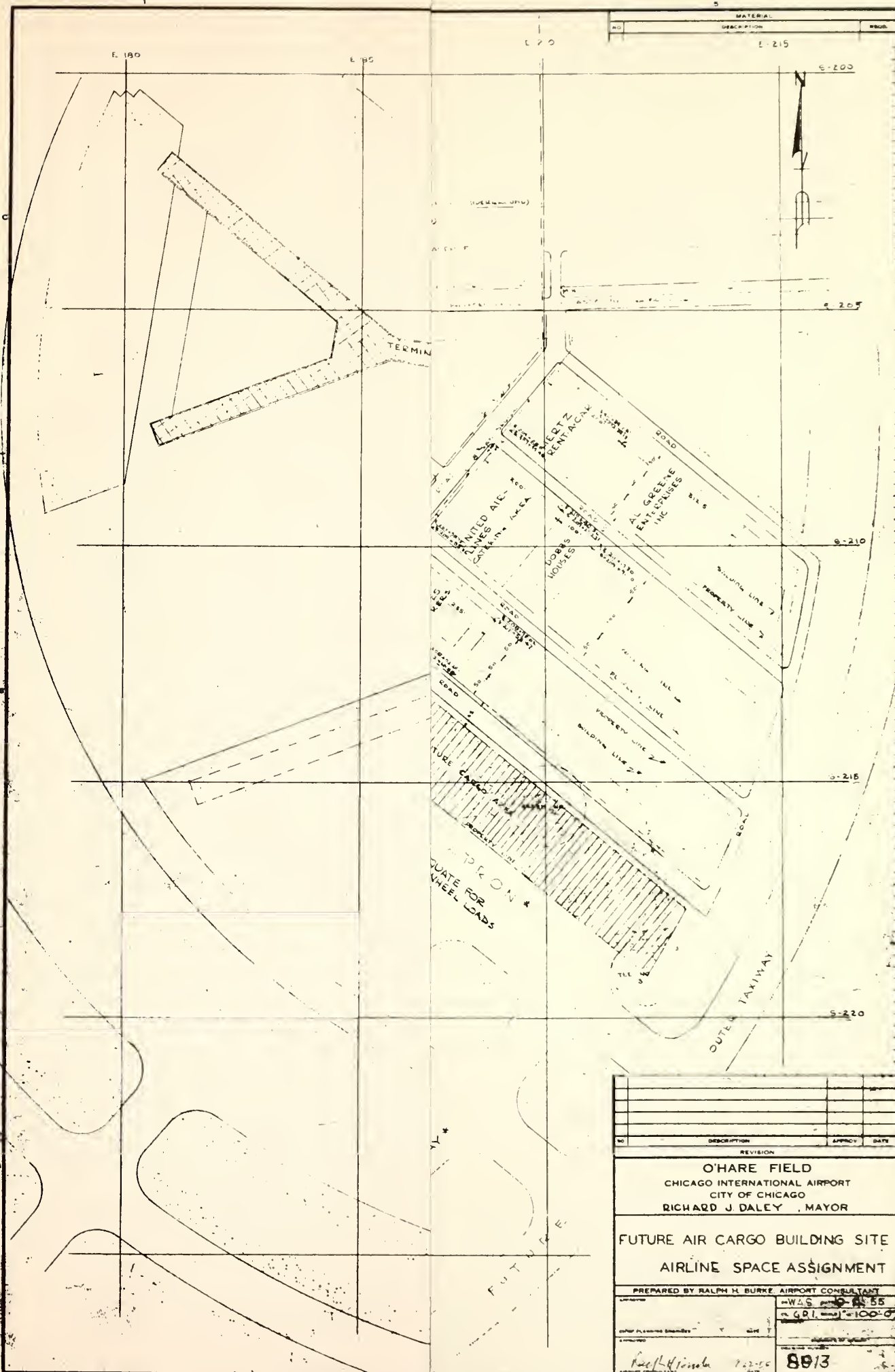
STATE OF _____ }
COUNTY OF _____ } ss

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as Vice President and _____ Secretary of American Airlines, Inc., a corporation of the State of Delaware, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

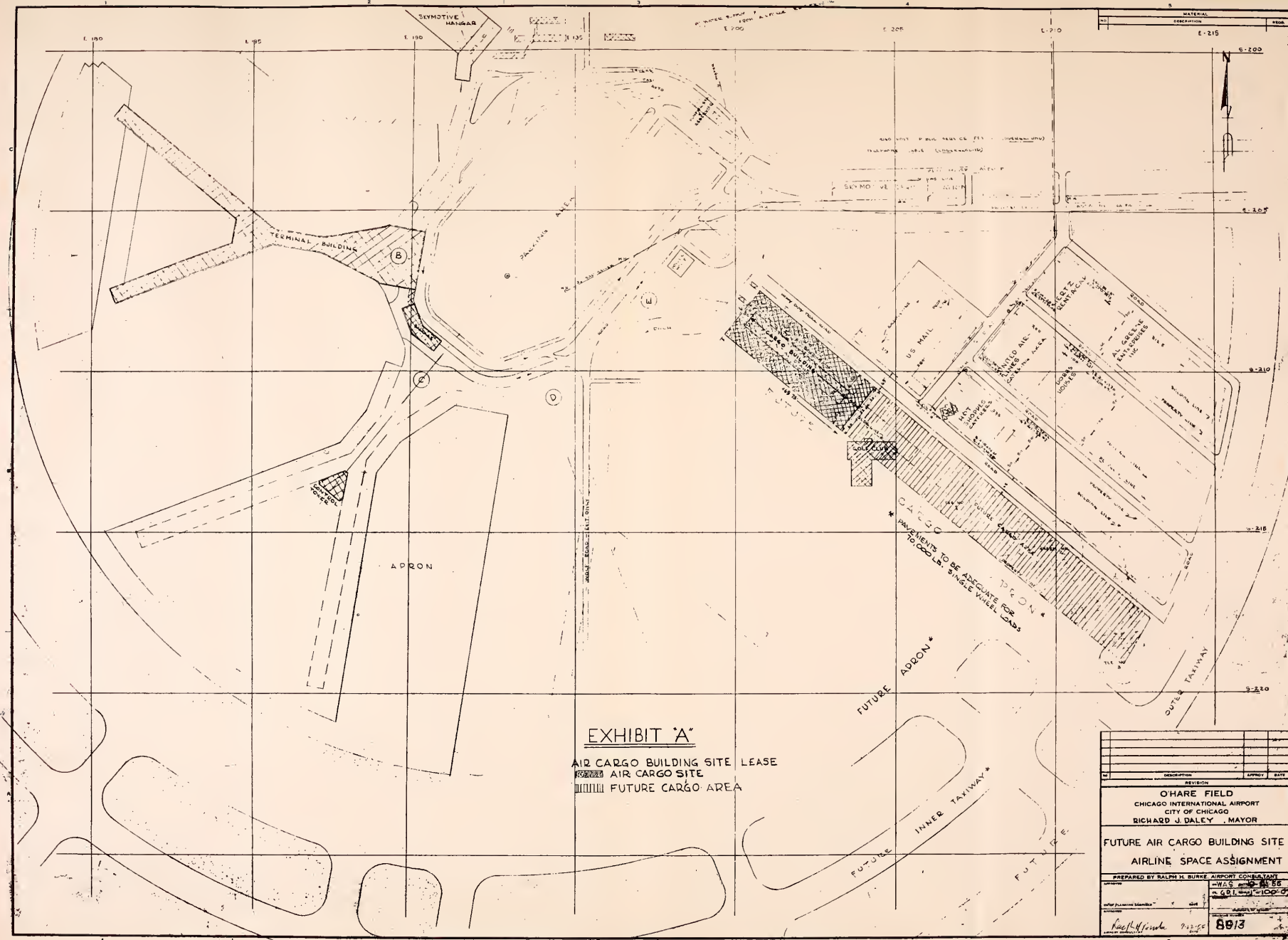
GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public

My commission expires _____



NO.	REVISION	APPROV.	DATE
O'HARE FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J DALEY, MAYOR			
FUTURE AIR CARGO BUILDING SITE AIRLINE SPACE ASSIGNMENT			
PREPARED BY RALPH H. BURKE, AIRPORT CONSULTANT			
DATE: 12-15-55		SCALE: 1"=100'-0"	
PROJECT NO. 8013		DATE: 12-15-55	



TANK FARM LEASE

THIS LEASE, made and entered into this 28th day of October, 1955, by and between the City of Chicago, a municipal corporation of the State of Illinois (hereinafter referred to as "City"), and American Airlines, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware (hereinafter referred to as "Airline"),

WITNESSETH :

WHEREAS, City owns and operates the Airport known as "O'Hare Field, Chicago International Airport," situated in the County of Cook and the County of DuPage, State of Illinois, with the power to lease premises and facilities and to grant rights and privileges with respect thereto, all as hereinafter provided; and

WHEREAS, Airline desires to lease certain premises and facilities at the Airport for use by Airline and other Airline Parties for fuel storage and related purposes and to obtain certain rights and privileges with respect thereto and the Airport upon the terms and conditions hereinafter provided; and

WHEREAS, City is willing to lease to Airline such premises and facilities, and to grant to Airline such rights and privileges, upon the terms and conditions hereinafter provided; and

WHEREAS, City and Airline contemporaneously herewith have entered into certain agreements with respect to the Airport, of even date herewith, entitled and hereinafter referred to as the "Airport Use Agreement" and "Lease of Terminal Facilities";

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, the parties hereto covenant and agree as follows:

ARTICLE I

PREMISES

Section 1.01. Lease of premises. Use of demised premises. City does hereby demise, lease and grant to Airline, and Airline does hereby hire and take from City, the premises (hereinafter referred to as the "demised premises") at the Airport shown by hatched lines on Exhibit A attached hereto and made a part hereof and designated thereon as Tank Farm Area, together with the facilities, rights and privileges hereinafter described.

Airline, together with other Airline Parties so authorized by Airline, shall have the exclusive use, subject to rules and regulations promulgated by City in accordance with Article VII hereof, of the demised premises, and all improvements, facilities and equipment (including, without limitation, fuel tanks and receiving, storage, handling and dispensing facilities) now or hereafter located thereon or provided in connection therewith, which use may be for any one or more of the following purposes:

- (a) the receiving, storage, handling and dispensing of gasoline, kerosene, and any other fuel or propellant, for aircraft and other equipment operated by Airline or by any other Airline Party;
- (b) the maintenance and operation of facilities and equipment and the carrying on of activities reasonably necessary or convenient in connection with the foregoing; and
- (c) the carrying on of other operations and activities reasonably necessary or convenient to the conduct by Airline of air transportation; provided, however, that all such other operations and activities shall be subject to the approval of the Commissioner of Public Works;

provided, however, that the rights conferred under this Article I may be exercised by Airline alone or in conjunction with other Airline Parties, directly or through another designated by it or them, but, subject to the provisions of Article VI hereof, Airline shall remain the lessee hereunder.

Airline and other Airline Parties so authorized by Airline are granted the right and privilege to use for the foregoing purposes, in common with others, and subject to rules and regulations promulgated by City in accordance with Article VII hereof, all fueling facilities (including, without limitation, receiving and underground and other distribution systems) constructed by City and serving or connected with the demised premises or any part thereof.

Section 1.02. Ingress and egress. Right to purchase property. Subject to rules and regulations promulgated by City in accordance with Article VII hereof, Airline shall have the right and privilege over the Airport of ingress to and egress from the demised premises for its employees, agents and invitees, its or their suppliers of materials and furnishers of service, and its or their equipment, vehicles, machinery and other property. Except as herein otherwise specifically provided, no charges, fees or tolls of any nature, direct or indirect, shall be imposed by City upon Airline, its employees, agents and invitees, or its or their suppliers of materials and furnishers of service, for such right of ingress and egress, or for the privilege of purchasing, selling or using any materials or services purchased or otherwise obtained by Airline, or transporting, loading, unloading or handling persons or property in connection with Airline's business or exercising any right or privilege granted by City hereunder. The foregoing shall not preclude City or its concessionaires from making and collecting a charge for the use of public automobile parking areas, sightseeing facilities or ground transportation to or from the Airport furnished by City or its concessionaires, or preclude City from imposing any tax, permit or license fee not inconsistent with the rights and privileges granted to Airline hereunder.

Airline shall have the right to purchase or otherwise obtain property and services of any nature from any suppliers of its choice.

ARTICLE II

TERM

The term of this Lease shall be for a period commencing on the date hereof and ending on October 31, 1970.

ARTICLE III

RENTALS

Airline shall, on or before the first day of each calendar month, commencing November 1, 1955, during the term hereof, pay to City, at the office of the City Comptroller of City, a monthly rental for the demised premises of Four Thousand Dollars (\$4,000).

Notwithstanding the foregoing, if any rental commences otherwise than as of the first day of any month or terminates prior to the last day of any month, rental for such month shall be determined on a pro rata basis according to the number of days of such month involved, and any required payment or refund for such month shall be made as promptly as practicable.

ARTICLE IV

CONSTRUCTION, MAINTENANCE AND REPAIR BY AIRLINE

Airline may construct and install on the portion of the demised premises designated as Tanks 1 and 2 on said Exhibit A, at its own expense, an underground storage tank or tanks and related facilities. All such construction or installation shall be made after obtaining any requisite building or construction licenses or permits. Plans and specifications of any such proposed construction or installation shall be submitted to and receive the approval of the Commissioner of Public Works prior to the commencement of construction or installation.

Airline may install on the demised premises or any part thereof, at its own expense, any machinery and equipment reasonably necessary or convenient in connection with any use, permitted under the provisions of this Lease, of the demised premises, including, without limitation, truck fill and tank fill stands, and related connections, connected with any storage tank constructed or installed pursuant to the preceding paragraph.

Except as otherwise hereinabove provided, Airline may not construct on the demised premises any tanks, buildings or improvements, except with the approval of the Commissioner of Public Works.

Airline shall keep and maintain all tanks, buildings, improvements and facilities on the demised premises in satisfactory operating condition, excepting, subject to the provisions of Article VII hereof, damage by flood, fire, earthquake, other casualty, act of God or the public enemy not caused by operation thereof by Airline.

Airline shall keep the demised premises in a sanitary and sightly condition.

ARTICLE V

CONSTRUCTION, MAINTENANCE, OPERATION AND REPAIR BY CITY

City shall operate and maintain, in all respects in a manner consistent with that of a reasonably prudent operator of an Airport, and keep in good condition and repair, all truck roads and facilities now or hereafter provided by City serving the demised premises, excepting any which have been constructed or installed by Airline.

City shall construct, if not heretofore constructed, truck roads and electric power facilities serving the demised premises of the character and at approximately the locations shown on said Exhibit A, and shall furnish lighting for the areas of the demised premises on which truck fill and tank fill stands are located.

City shall, upon request of Airline, use its best efforts to enforce for the benefit of Airline any claim which City may have against any contractor of City arising from any defect in any tank, improvement or facility provided by City on the demised premises.

ARTICLE VI

ASSIGNMENT AND SUBLETTING

Section 6.01. Assignment by Airline. Airline shall not assign this Lease or any of its rights hereunder, either in whole or in part, without the prior consent of the Commissioner of Public Works, except as otherwise hereinafter provided. Airline may, however, without such consent, assign this Lease at any time to any then Airline Party, and in the event of such assignment, notice of which the assigning Airline shall give City concurrently therewith, the assigning Airline shall thereupon be relieved and discharged of any and all obligations thereafter arising hereunder; provided, however, that concurrently with such assignment the assigning Airline shall obtain and deliver to City an appropriate assumption by such assignee of Airline's obligations hereunder. Airline may also, without such consent, assign this Lease to any corporation into or with which it may merge or consolidate, or which may succeed to its business.

Section 6.02. Subletting. Airline shall not sublet the demised premises or any part thereof without the prior consent of the Commissioner of Public Works, except as otherwise hereinafter provided. Airline may, however, without such consent, sublease the demised premises or any part thereof to, or permit the use of the demised premises or any part thereof by, any Airline Party or Parties and except as may be otherwise prescribed by Airline, any such Airline Party to whom the demised premises or any part thereof may be subleased, or who is permitted by Airline to use the demised premises or any part thereof, shall have all rights, privileges and immunities of Airline hereunder.

Section 6.03. Successors and assigns. All of the covenants, stipulations and agreements herein contained shall, subject to the provisions of Section 6.01 hereof, inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

ARTICLE VII

INCORPORATION BY REFERENCE

The following Sections and Articles of the Lease of Terminal Facilities and of Exhibit 6 thereto are hereby incorporated by this reference into this Lease and made a part hereof and shall be applicable to the rights and privileges granted and to the premises demised to Airline by City under this Lease: Sections 1.07, 5.03, 5.04, 6.02, 6.03 and 6.05, Articles VIII, IX, XI, XII, XIV and XVI and Sections 18.02, 18.03, 18.04, 18.06, 18.07, 18.09 and 18.10 of the Lease of Terminal Facilities and Articles VIII and XIV of Exhibit 6 to the Lease of Terminal Facilities.

ARTICLE VIII

DEFINITIONS

Airport; air transportation; Airline Parties; Commissioner of Public Works; Civil Aeronautics Administration; and Civil Aeronautics Board. "Airport," "air transportation," "Airline Parties," "Commissioner of Public Works," "Civil Aeronautics Administration," and "Civil Aeronautics Board" have been defined in the Airport Use Agreement and such terms, when used in this Lease, shall have the same meanings as they have in the Airport Use Agreement.

IN WITNESS WHEREOF, the City of Chicago has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of the City of Chicago, and its seal to be hereunto affixed and attested by the City Clerk of the City of Chicago, and American Airlines, Inc. has caused this instrument to be executed on its behalf by its President and its corporate seal to be hereunto affixed and attested by its Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

CITY OF CHICAGO

By _____
Mayor

ATTEST:

City Clerk

AMERICAN AIRLINES, INC.

By _____
President

ATTEST:

Secretary

STATE OF ILLINOIS }
COUNTY OF COOK }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify, that RICHARD J. DALEY and JOHN C. MARCIN, personally known to me to be the same persons whose names are, respectively, as Mayor and City Clerk of the City of Chicago, a municipal corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized by the City Council of the City of Chicago, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of the City of Chicago and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public, Cook County, Illinois

My commission expires _____

STATE OF _____ }
COUNTY OF _____ }SS

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ and _____, personally known to me to be the same persons whose names are, respectively, as _____ President and _____ Secretary of American Airlines, Inc., a corporation of the State of Delaware, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth.

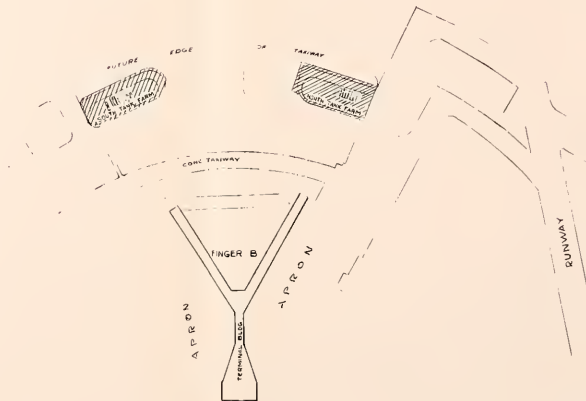
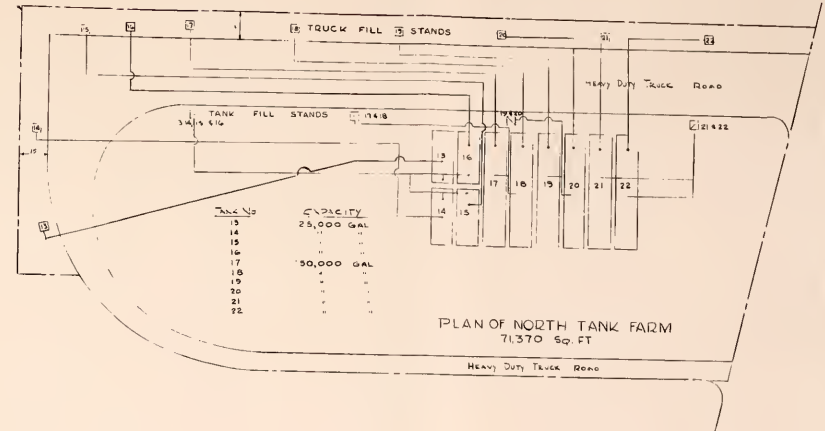
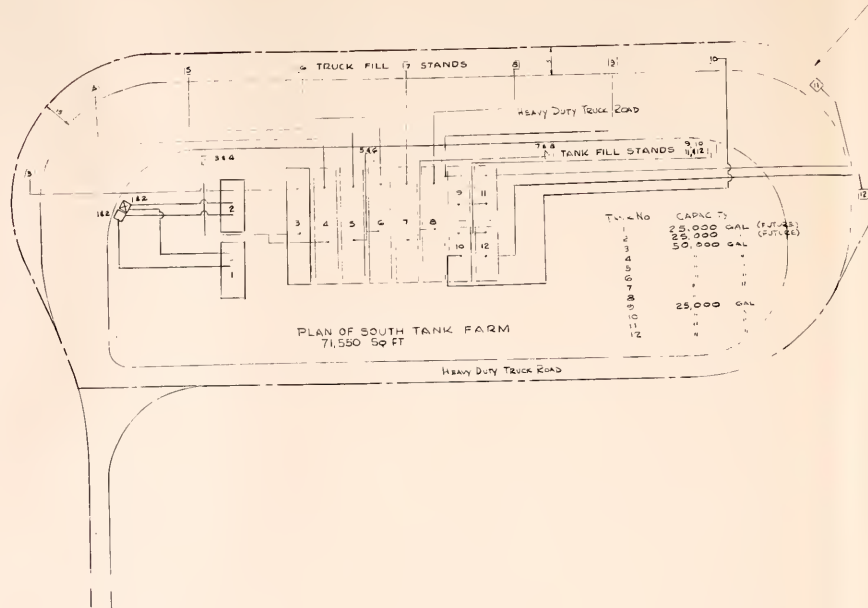
GIVEN under my hand and notarial seal this _____ day of _____, A.D. 1955.

Notary Public

My commission expires _____



LIMIT OF DEMISED PREMISES



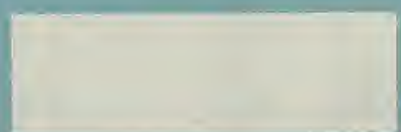
NOTES

1. Lighting consists of 12 light poles in each tank farm, each 10 ft. high, with one 300 watt light and reflector.
2. Each tank farm is supplied with a 500 MCM-1000 V insulation single conductor.
3. Power is supplied to each tank and to each truck fill stand.

EXHIBIT A TANK FARM LEASE LIMITS OF TANK FARM AREA TANK FARM AREA

CLEVELAND FIELD CHICAGO INTERNATIONAL AIRPORT CITY OF CHICAGO RICHARD J. DALEY, MAYOR	
TANK FARMS AIRLINES SPACE ASSIGNMENT	
PREPARED BY: RALPH H. BOWEN, GUIDE CONSULTANTS 8-11-58	
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1/11/2010

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